The China Weekly REVIEW

密勒氏評論報

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In the Fields of Finance and Reconstruction

SATURDAY, FEBRUARY 14, 1931 VOLUME 55, NUMBER 11

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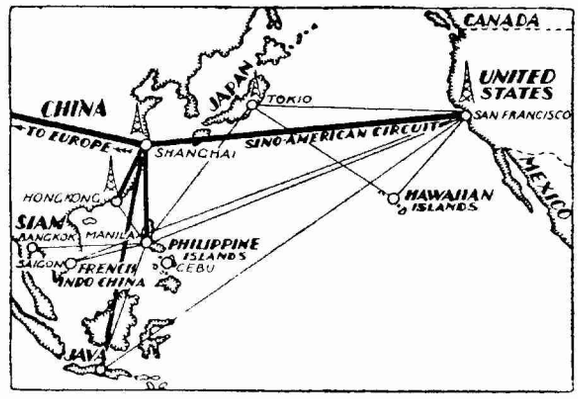

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Formerly Millard's Review

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WASHINGTON BUREAU

J. J. Underwood—Correspondent

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PUBLICITY AND THE GREYHOUND GAMBLING QUESTION

IT should be perfectly evident to residents of the International Settlement, Chinese as well as foreign, that the dog-race pari-mutuel gambling scandal in the International Settlement, would not have occurred had there been any way for the Shanghai public to have found out what was going on behind the thick black curtain which separates the Municipal Council from the eyes of the public which pays the bills. As recent disclosures have shown this whole greyhound-gambling proposition was promoted by a number of interested persons, some of whom occupied seats on the Council. The matter of permitting the first track, Luna Park, to open, was discussed in the Council and certain letters were written by the secretary of the Council which were used by the greyhound promoters in selling their stock to the Shanghai public. Later on the Council became apprehensive and refused to license the dog-gambling tracks, but despite all these developments within the Council chamber, not word about it was permitted to appear in the *Municipal Gazette* or any of the local newspapers. Last year, probably as an indirect result of these developments, there was considerable agitation for publicity regarding the doings of the Municipal Council, but the agitation for admitting newspaper reporters to the meetings was headed off by a proposal to permit reporters to inspect a carefully censored transcript of the Council proceedings two days following Council meetings. While this system is an improvement on the old, it still leaves much to be desired for the Council still has power to delete from the minutes anything which it considers the public should not know about. As a direct result of the policy of concealment practiced three years ago Shanghai is now suffering from a disgraceful scandal which has largely undermined public confidence in the local municipal government. Also, as a direct result of this policy of secrecy, the Shanghai taxpayers are shortly to be saddled with the heavy expense involved in taking over the leases of the property of the two British dog-gambling joints. This whole thing might have been avoided had the meetings of the Municipal Council been open to newspaper reporters three years ago. In view of the fact

that another municipal election is approaching, it would seem in order for someone to again raise the question of publicity regarding what takes place when the members of the Council meet for the purpose of administering the affairs of the Settlement.

WHAT ARE THEY GOING TO DO ABOUT THE PHILIPPINES?

GARET GARRETT, well know American writer, who recently spent some time in the Philippines, is now contributing a series of articles to the *Saturday Evening Post* under the title, "Our Asiatic Attribute," the first of which appeared in the issue of Jan. 24. Mr. Garrett's first article presents an admirable outline of the American problem at Manila, which, because of the close association of that problem with somewhat similar problems in other Asiatic dependencies, is a matter of much interest in China. China can't help being interested in what is going on in the relations between Washington and Manila because there are 110,000 Chinese living in the Philippines and these Chinese, while in a minority, control most of the domestic trade of the Islands. Recently the *Manila Bulletin* (American-owned paper) published a supplement devoted to Chinese interests. Dr. C. T. Wang, Foreign Minister, and Sun Fo, Minister of Railways at Nanking both contributed articles to the special number. Said Dr. Wang, "China has been closely watching the achievements of the Filipino people, recently, and is very sympathetic with the aspirations as expounded personally by such Filipino leaders as Manuel L. Queson, Sergio Osmena and Manuel Roxas during their various visits Chinaward. There is every reason to believe that the cordial friendly relations between our two countries will continue and improve in the future. . . . For the last three hundred years Chinese emigrants have chosen the Philippine Islands as one of their adopted homes. We are glad and proud to hear that there are 110,000 Chinese residing therein who constitute a very valuable asset to the Islands. With their natural gifts and industrious habits, there is no doubt that they will be able to contribute a still larger share toward the economic and cultural development of the Filipino people." Sun Fo, Minister of Railways, in his article stressed the commercial relations of the two peoples, pointing out that three-fourths of Philippine imports could be supplied by China in large quantities. Continuing, he said, "This happy combination together with the large Chinese population in the Philippines will form the nucleus for further development of Chinese-Filipino commerce. Pacific trade rests mainly on the shoulders of the Chinese and Filipino leaders, in addition to the contribution of the Americans and Japanese. Only closer cooperation developed from the already existing amiable relationship can help the Asians to perform this stupendous responsibility. Removal of prejudicial treatment of Chinese in respect to the immigration law and the law forbidding the use of the Chinese language in account books will undoubtedly help to strengthen friendship and improve relations. . . . . "

These statements by Chinese political leaders indicate pointedly the Chinese interest in the Philippines, hence the interest which must exist in this country regarding the future of the Philippines from the standpoint of their relations to the United States. Mr. Garrett, in his article, points out by implication that while other Far Eastern colonial peoples such as the Koreans, the Dutch East Indians, the British Indians and the people of French Indo-China are demanding autonomy or self-government or complete independence, the Filipinos have already progressed to the point of self-government and are now demanding the final goal of complete independence. Says Mr. Garrett, "The American Government must either cede away the last of its sovereignty and be done with it, or find some working alternative that will be acceptable to the Filipino Government, This is simply to say, beyond argument, that it must either get out or negotiate terms with an artificial Malay state of its own making." He then quotes an American resident of Manila as saying, "The sooner we see this and make terms with them the better bargain we shall be able to arrive at."

Of chief interest, however, is Mr. Garrett's description of the new Malay State which the Americans have created despite the efforts of those who would make the islands a permanent territory of the United States. The following are some of his points: Before the American Government sends a Governor-General or a vice-governor, it inquires to know if he will be acceptable to the Filipino government, as if he were an ambassador to a sovereign country. The all-native Filipino legislature is the supreme lawmaking body in the Philippines. The sovereign American right to enact laws has been surrendered to it. . . . Neither the American Congress nor the American Governor-General can pass a law, and the power to annul or to veto is but a one-sided power to say no. The Filipino legislature may also say no. . . . What results in practice is that the Governor-General is reduced to resources of suggestion, persuasion and barter. . . . The Filipino legislature controls also the administration of its laws, from the fact that the heads of the various executive departments appointed by the Governor-General are subject to the approval of the Filipino Senate. Thus the executive power, too, has been practically surrendered. The heads of all executive departments, with one exception, are Filipino. The bench (judges) is Filipino, up to the Supreme Court, where five Americans survive against four Filipinos; the chief justice is Filipino. The prosecuting attorneys are all Filipinos. The organized provincial and municipal governments are entirely Filipino. In the whole government of the Philippine Island fewer than two officials in each one hundred are Americans. Two Filipino commissioners, paid by the United States Government, sit in the American Congress at Washington. No American sits in the Filipino legislature at Manila.

Mr. Garrett then tells how the creation of this new Malay State in the Orient has come

about; how the Filipinos have practically achieved independence; how the position of the American Government in the Philippines has been reduced to a status which is both indefinite and humiliating; that it has no rights that the Filipino government feels obliged to respect, not even the right to a naval base where thirty years ago it conquered one from the Spaniards. This situation has been brought about through a combination of altruism and lack of interest on the part of the American people, a considerable portion of whom wonder why America is in the Philippines and a much larger portion of whom probably wonder why America doesn't get out. As Mr. Garrett put it, "With the Filipinos now demanding absolute independence—that is to say, sovereignty because the thought of it has been held out to their pride, and demanding it immediately because they want it now, and with a great many Americans at home for both sentimental and selfish reasons saying 'Give it to them,' the situation is growing worse. It has now reached a point at which, to say the least, the first terms are clarified." Turning then to what he terms "unromantic facts," the author explained that the United States Treasury receives not one cent of revenue from the Philipines. It taxes them for nothing. Philippine products, particularly sugar enter the United States free of duty which amounts to a subsidy to Philipine industry amounting to between G. $40,000,000 and G. $50,000,000 annually. The United States Internal Revenue Department collects a duty on Philippine tobacco but remits every cent of it back to the Manila treasury. It is true that American products go into the Philippines also without payment of duty, but if duty was charged it would amount to about G. $15,000,000 a year, approximately the cost of upkeep of the Americaan army in the Islands. As a result of these American direct expenditures and indirect subsides to Philippine industry the Filipinos enjoy a standard of living which is more than twice as high as it was when America entered the Islands and considerably higher even than is the standard of living of the Japanese, who enjoy a higher standard of living than the Chinese, the British Indians or other Asians. This in brief is a picture of the American "Malay State" in Asia, which if one would believe current reports from Washington is likely to have its status still further changed in a comparatively brief period of time.

A NEW SLANT ON THE SILVER SITUATION

A reader of *The Review* in Peiping has written us a letter suggesting that the present silver cloud hanging over China has more than the proverbial silver lining, meaning by this statement that there are certain important advantages accruing to China as a result of depressed silver. He called attention to the fact that the present prosperity of France has been a direct result of the low exchange value of the French franc, which is now worth in its relation to the Americaan gold dollar only about one-quarter of the value which prevailed before the World War. This has had a great stimulating effect on French industries and has accelerated French exports in competition with other large countries such as England, America and Germany. The French have little unemployment, hence the common people of the country have greatly benefitted from the low exchange value of the franc. Our correspondent argues that a somewhat similar situation prevails in China, and ventures the suggestion that if the present low exchange value of silver continues that China, for the first time in her recent history, probably will show a trade balance in her favor for 1931. He declared that while the low value of silver has caused trouble for the importers and has embarrassed the Government from the standpoint of paying its foreign gold debts, it has, on the other hand, certain definite advantages from the standpoint of the common people of a country which is as nearly self-supporting as is China. He said, "With over 20,000,000 unemployed in the world today, China has probably the smallest proportionate number of unemployed of any country, a situation which probably would not prevail if the country was on a gold basis." He also ventured the suggestion that the low value of silver will undoubtedly stimulate Chinese exports, a tendency which is already in evidence in North China where a considerable movement of native products to the seaboard may be observed. A continuance of low silver is therefore likely to produce a balance of trade in China's favor before the end of the present year.

CHANG HSUEH-LIANG GETS DOWN TO BUSINESS

REPORTS from both Mukden and Nanking give the lie to propaganda spread a few weeks ago by interested parties regarding an alleged weakening of the political power of Marshal Chang Hsueh-liang. Since his return to Mukden the head of the Manchurian political administration has called and participated in three important conferences, one dealing with a reorganization of the military and naval forces in the Northeastern provinces, another dealing with financial affaires and a third, dealing with the railway problem. Also, we are informed by a dispatch from Nanking that Wu Te-cheng, member of the Kuomintang Central Executive Committee, has been summoned to Mukden to direct the establishment of local branch Party headquarters in the four Northeastern provinces, Liaoning, Kirin, Hailungkiang and Jehol. The branch headquarters in Mukden already has been opened. The military conference considered five chief problems: (1) the organization of the headquarters of Vice Commander-in-chief of Army, Navy and Air Force of the National Government, (2) the re-organization of defence forces and Yamens of these forces in the North Eastern Provinces, (3) the readjustment of wages in arrears for the garrisons in Jehol, (4) the control over communist activties in Kirin Province, and (5) the flotation of public loan bonds for the purpose of relieving the market in the Special District of Harbin.

The conference on financial affairs was concerned chiefly with the matter of bringing Northeastern finances into accord with the centralization policies of the Central Government at Nanking, the following report being by the correspondent of the *Kuomin* news agency at Shenyang (Mukden).

That the financial administration of the various provinces throughout the country must be centralized under the National Government in order to attain financial unification was empnasized by General Chang Hsueh-liang, Vice-Commander-in-Chief of the National Military, Naval and Air Forces, in the course of a speech delivered yesterday at the opening session of the North-Eastern Financial Conference.

This Conference has been convened to discuss measures for the rehabitation of Government finances in the various Northern and North-Eastern provinces as well as the solution of the problems arising out of the abolition of Likin.

General Chang said that with the conclusion of the military operation and the unification of the country, the Central Authorities, with a view to alleviating the sufferings of the people and accelerating the economic development of the country, had resolutely ordered the abolition of Likin, which had formed one of the greatest evils during the past few decades.

This action of the Government, said General Chang, he fully endorsed, having already, instructed the various Provincial Authorities under his jurisdiction to effect the abolition of Likin and the institution of new taxes in accordance with the Government's orders.

During the transitional period, when the new taxes were still in an experimental stage, the immediate rehabilitation of finances must be carried out, due regard being paid not only to the provincial revenue requirements but also to the economic welfare of the people.

It was entirely in pursuance of this policy that the finances of the various provinces must also be concentrated under the Central Government in order to attain financial unification, said General Chang.

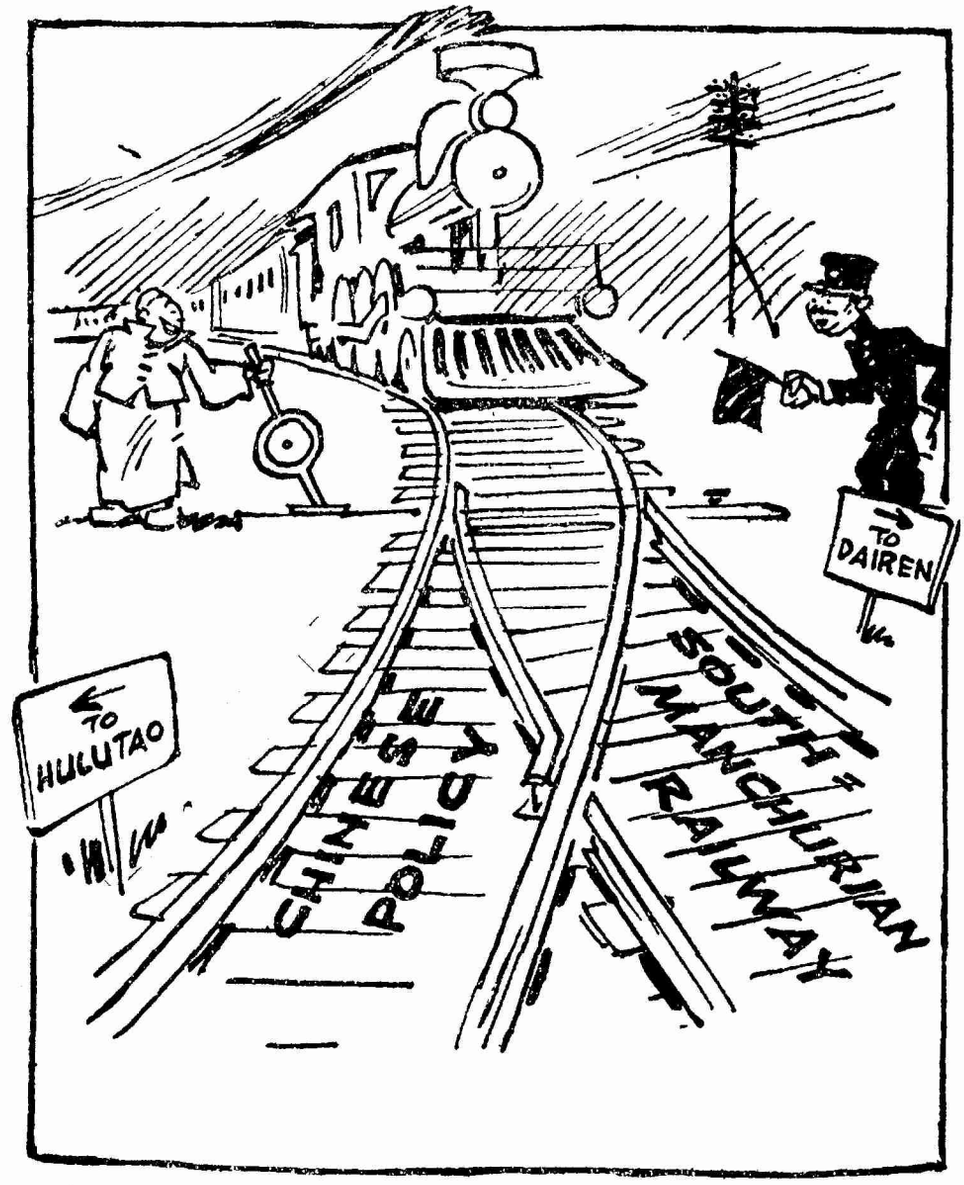
It was entirely in pursuance of the wishes of the Central Authorities, declared General Chang, that he had convened the present conference for the rehabilitation of finances in the various Northern and North-eastern provinces.

He concluded with the hope that the delegates of the various Provincial and Municipal Finance Authorities would give frank and careful consideration to their financial policies.

The Conference is attended by delegates from the provinces of Kirin, Heilungkiang, Liaoning, Jehol, Charhar, Hopei, and Shansi and the Municipalities of Peiping, Tientsin and Harbin.

Besides General Chang Hsueh-liang, who acts as Chairman of the Conference, a Presiding Panel of four has been elected, consisting of General Chang Tso-hsiang, Chairman of the Kirin Provincial Government, General Tsang Shih-I, Chairman of the Liaoning Provincial Government, General Chang Ching-hui, Head of the Harbin Special District and Mr. Lu Mu-ting, Head of the Finance Department of the North-Eastern Political Affairs Committee.

As to the railway conference, sufficient has already appeared in these columns to acquaint readers with the determination of the Chinese authorities both in Manchuria and South of the Great Wall to link up the railway systems of the two sections and thus place



The cartoon by G. Sapojnikoff, Russian artist on the staff of the *North-China Daily News*, visualizes the Sino-Japanese railway competition which prevails in South Manchuria. It shows China in the act of "switching" a train bearing Manchurian products to the Chinese port of Hulutao and away from the Japanese line running to the Japanese-controlled port of Dairen. The cartoon appeared in the local British organ on Feb. 5.

themselves in a united position against foreign penetration. When unity has been attained the country will then be in a position to talk to both the Japanese and Soviet Russians. The question of Sino-Russion relations is considered elsewhere in this issue, but from the standpoint of the Soviet-controlled Chinese Eastern line, there are reports in circulation that Mo Teh-hui, chief Chinese delegate to the Moscow conference, has brought back a report to the effect that the Russians might be willing to sell the

line, the reason being the depressed economic situation which has caused the railway to lose money. According to a report from Nanking this week the Russians have offered to sell the road for 160,000,000 gold roubles, equivalent to more than 400,000,000 Chinese silver dollars at present rates of exchange. In view of the fact, however, that the Russians are bound to relinquish control of the railway at the expiration of the original agreement, a matter of about twenty years, many Chinese argue that it would be better to permit the agreement to run its course, proving the Soviets can be forced to operate the enterprise in strict accord with the 1924 agreements, which, of course, includes a complete cessation of communistic propaganda. Of interest in connection with the matter of Russo-Japanese competition, the Japanese *Rengo* service issued a report on Feb. 8 alleging that the Russians have in contemplation a scheme to ship soya bean cargoes from North Manchuria to Europe by way of the C. E. R. and Trans-Siberian lines. Previously all shipments of soya beans, the chief product of North Manchuria, to European markets has been over the South Manchuria line to Dairen and thence by ship to European ports, or over the C. E. R. line to Vladivostok and thence to European ports by sea. For several years the Russians and Japanese have had an understanding whereby shipments over the Japanese and Russian lines to Dairen and Vladivostok where kept prectically equal. Recently, however, when the Japanese and Russians held a conference to continue this system the Russians refused to agree to the Japanese proposals, hence the Soviet threat to ship cargoes to Europe by all-rail route across Siberia, Russia and Poland to Germany, Belgium and France, the chief consuming countries. Should the Russians carry out this threat, it would have a further detrimental effect on the business of the Japanese South Manchuria line which is already adversely affected by the competition of the new Chinese railways.

The Perplexing Problem of Soviet Recognition

WHILE the question of extending diplomatic recognition to the Soviet Government is more or less an abstract problem from the standpoint of the United States, it is an altogether different matter when considered from the standpoint of China. With extensive trade relations across a common boundary extending for more than 3,000 miles, China's ordinary relations with Russia are comparable somewhat to the relations of Canada and the United States. A knowledge of this situation will provide some appreciation of the problem now facing the National Government, for while little has appeared in the Chinese newspapers on the subject, it is a fact that all discussions pertaining to the Russian question center in this matter of a resumption of relations between China and the Soviet. All questions pertaining to the Chinese Eastern Railway, the Habarovsk Protocol and even the matter of Communism in central China, come back to the fundamental matter of Soviet recognition.

When Mo Teh-hui was sent to Moscow early last year he was instructed to insist upon a settlement of questions pertaining to the C. E. R. first, following which China would be willing to consider other matters. But Moscow wants it the other way around: recognition first, then a discussion of other questions, including the administration of the railway. Mr. Mo has been in Nanking for several days and according to the reports which have appeared in the Chinese newspapers, his long stay in the Soviet capital resulted in only two definite accomplishments: equality of Sino-Russian personnel and the use of the Chinese language, in the operation of the railway. In other words the Russians have agreed to but two things which they should have agreed to voluntarily several years ago had they been sincere in their activities in North Manchuria. As to the Habarovsk Protocol which China was forced to sign at the conclusion of the "war" in 1929, it apparently still stands, according to the report which Mr. Mo has made to Nanking officialdom. The net result of China's effort to effect an understanding with the Red Russians was two formal conferences, both of which broke up in a near-row. The long stay of the Chinese delegates in the Soviet capital therefore amounted to nothing more than a "waiting game," with practically nothing accomplished except minor details pertaining to the administration of the C. E. R. However, the long stay of the Chinese delegates in Russia did serve to acquaint them with conditions in Russia, information which should be of considerable value to the National Government.

According to a report circulated by the official *Kuomin* service from Nanking on Feb. 7 there was a thorough discussion of the Sino-Russian situation which was participated in by Mo Teh-hui, Dr. C. T. Wang, Hu Han-ming, Wang Chung-hui, Sun Fo and other government leaders, following which it was decided to refer the question to the so-called Foreign Relations Committee of the Central Political Council. The consensus of opinion was, however, that the C. E. R. issue must be settled prior to the consideration of other matters such as resumption of diplomatic and commercial relations. Other reports which have appeared in the Chinese newspapers have indicated that Gen. Chiang Kai-shek is opposed to a resumption of diplomatic relations, but is favorable to the resumption of commercial relations somewhat along the line of the American practice in regard to the Soviet. The *Shun Pao*, one of the leading Chinese newspapers published a long survey of the Russian question in its issue of Feb. 7 wherein it was pointed out that nothing could be accomplished so long as Russia insists upon the observance of the Habarovsk Protocol which China was forced to sign under duress at the conclusion of the war situation in 1929. The Russians had refused to agree to China's demand for a discontinuance of communistic propaganda on Chinese soil; in fact they deny there has ever been such propaganda. The editor of the *Shun Pao* insisted upon a satisfactory set-

tlement of the C.E.R. tangle prior to a discussion of anything else and warned the Government against the "tricky" diplomatic manouvers of Karakhan, who apparently was trying to becloud the issue by involving the Chinese delegates in a discussion of diplomatic and commercial relations. Continued the editorial, "The tangle over the C. E. R. developed as a result of the Soviet violation of Article 6 of the Sino-Russian agreement of 1924 pertaining to communistic propaganda and the use of the railway and its revenues for subversive activities. The whole question of red activities in China therefore center in the railway question, hence the Chinese Government and the delegation in Moscow must insist upon a settlement of this question first."

This 1,200-mile Chinese Eastern Railway crossing North Manchuria has had more complications in a shorter period of years than any other equal mileage of railway in the world. Originally built by the Czar with money borrowed in France, it was used as a tool of old Russian imperialism in the Far East. No sooner completed than it precipitated a war with Japan resulting in Japan's grabbing the southern end which she converted into the South Manchuria line. Then came the Russian revolution and for a time the C. E. R. was operated by a so called Inter-Allied Technical Board of which Col. John F. Stevens, well-known American engineer was chairman. When the Allied troops were withdrawn from Siberia, the Chinese for a time assumed control of the railway, but later on agreed with the Soviet to operate the line as a joint-enterprise. But Moscow, under the Soviets, had no more idea of relinquishing control than had St. Petersburg under the Czar. Due to their use of the railway for subversive activities, the Chinese seized control early in 1929, resulting in the Soviet withdrawing its consuls and breaking off diplomatic relations. Then followed the stirring events of 1929 which amounted to nothing more nor less than a war situation despite the fact that both China and Russia had signed the Kellogg Anti-War Pact. China interned all the Reds on the Chinese side of the line and the Soviet retaliated by pillaging and burning Chinese border towns and massacring their inhabitans. Finally, late in the year the Soviet sent a well equipped Red army consisting of approximately 40,000 troops across the border and seized a considerable section of Heilungkiang province. With a major civil war on her hands south of the Great Wall, China was forced to capitulate and signed, under duress, the so-called Habarovsk Protocol, the exact terms of which never have been published, but which generally bound China to permit the Reds to resume control of the railway. Also, the Protocol is supposed to contain clauses binding China to resume diplomatic and commercial relations, recognize the autonomy (under Soviet control) of Outer Mongolia and a number of other things.

That the tangle with the Red Russians over the C. E. R. is closely, allied with the domestic political situation in China goes without saying. While the C. E. R. is important to Russia as a commercial artery, it probably is incidental to the larger question of the Sovietization of Asia, a major ambition of Moscow which has been dreaming of a re-creation of the Mongolian Empire of Genghis Kahn. Soviet activities in Mongolia and Sinkiang which are without disguise and Soviet under-cover intrigue in the central Chinese provinces indicate the tendency but if one wishes further confirmation it is provided in the declarations published in the official organs of Moscow, many of which have been reproduced in these columns of *The Review*.

While a settlement of the C. E. R. trouble is a pressing matter for both the National Government and the Manchurian authorities, it is doubtful whether they would yet be willing to pay the price of full diplomatic recognition of the Soviet to obtain it. The reason for this is that Soviet recognition would bring back to China the Soviet Ambassador and Embassy staff as well as the consuls scattered over the country. The Chinese know that these consulates would immediately become the mecca for all red elements in China, as they were before the suspension of relations three years ago. The Soviet Government might agree not to use its consuls for subversive purposes, but Soviet Governmental promises and the activities of the Russian Communist Party are two separate things as experience has shown in other countries which have granted recognition. China's obvious weakness in preventing Communistc intrigue within her borders is due to the lack of adequate police control such as exists in other countries such as Japan, England, France and Germany, which have granted the Soviet diplomatic recognition.

Chinese Shipowners Indignant: Oppose Captain Dollar's Plan

Chinese shipping circles are reported as being considerably exercised over the alleged negotiations that have been going on between the Ministry of Communications and the Robert Dollar Co. concerning the proposed formation of a Sino-American shipping corporation for the operation of China's shipping services.

Leading Chinese shipowners have expressed the opinion that should the project as outlined by Captain Dollar be carried out, the Chinese Government would not only be failing to recover China's lost shipping rights but instead more rights would be lost.

Manuel Quezon Said to Have Returned to Catholicism

A sensation was created in Manila recently when it was announced on the authority of the *Ambassador*, the organ of the Catholic Truth Society in Iloilo, that Manuel Quezon, member of the Philippine Senate and leading Filipino Freemason in the Philippines, had renounced Freemasonry and returned to the bosom of the Roman Catholic Church. The announcement is not confirmed as yet. It has long been claimed that the only outstanding figure in Filipino political life who is not a Mason is Sergio Osmena, whose allegiance to the Catholic Church has never been called into question.

Canada Farmers Start a Move to Secede—Want Free Trade

An organized Agrarian and Charitist movement has been started by several small groups of Saskatchewan (Canada) farmers. They demand, unless the economic relief asked for from the Federal Government is granted, secession from the Dominion Federation and the formation of "a Cooperative Commonwealth within the British Empire trading direcly with Great Britain on a Free Trade and barter basis." "A Charter of Liberty" has been drawn up by leading farmers in North-West Saskatchewan, and copies have been sent to Ramsay MacDonald and Mr. Bennett, the Canadian Premier.

How Japan's Silk Industry is Subsidized

(By Herbert M. Bratter, in Commerce Reports, Dec. 22)

In Japan the silk industry has long been encouraged and fostered by the Government, especially since the Restoration, and a special division of the Government Department of Agriculture and Forestry is devoted to it. As an aid to sericulture the Imperial Raw Silk Conditioning House was established at Yokohama by the Government in 1896 and in the same year the Kobe municipal conditioning house was opened. In 1912 the Government founded the Imperial Sericulture Experiment Station and in 1918 the Imperial Silk Experiment Station. In addition, there are sericultural colleges under Government supervision and numerous other experiment and inspection stations.

The raw-silk association, established by law in 1911, is composed of local associations. Everyone connected with the silk industry must by law be a member of this prefectural association.

Price Pegging Supported by Government

The silk industry is peculiarly subject to alternate prosperity and depression; therefore, frequent attempts are made by reelers to peg prices. In 1915 the Government organized the Imperial Silk Co. to purchase and carry over into the new season, beginning in June, the silk which could not find a market at the pegged price. The Government advanced the company 5,000,000 yen with which to make good its losses. In 1920 difficulties again were experienced by the silk trade, and, under Government auspices, the Imperial Raw Silk Co. (Teikoku Shanshi Kabushiki Kaisha) was established in September, with total resources of about 97,000,000 yen. It was known popularly as "the syndicate." Credits were extended by the Government-controlled Industrial Bank of Japan. Reelers were guaranteed against loss and credit was advanced to enable them to buy cocoons at prices not ruinous to the sericulturalists. This "syndicate" and a second, formed in November, 1926, were liquidated after accomplishing the purposes for which they were formed. A third, established in November, 1927, became, in 1929-30, the active agent for warehousing silk stocks in Japan. The efforts of these syndicates have been generally successful, and Government encouragement and financial assistance by the so-called "special banks" have altered the silk trade from one largely in foreign hands to one in which Japanese now conduct over three-quarters of the total trade.

Since 1926 the dry-cocoon warehouses have benefited by Government subsidies to stabilize the price of cocoons. The Yokohama Specie Bank, furthermore, has advanced low-interest funds to the Imperial Raw Silk Warehouse Company.

Legislation to Aid Silk Industry

Early in 1929 a decline in silk prices and depression in the industry became imminent. On March 27, therefore, the Government passed the "silk price indemnity law," intended to support prices and temporarily withhold silk from the market. The law provided that banks sustaining loss through advances made against silk would be eligible for Government indemnity. In September, 1929, as a result of business depression at home and abroad and curtailed purchases of silk, the Government provided by law that banks making advances to silk dealers might be compensated in times of emergency, during a 5-year period, to the extent of 30,000,000 yen. In November the Yokohama Specie Bank was reported cooperating with silk merchants in financing withdrawals from the market. Late in 1929 the Silk Association of Japan petitioned the Government for enforcement of the silk indemnity law. The Government early in February, 1930, countered with a plan to advance funds to the Imperial Silk Holding Co. to withdraw 50,000 bales from the market. The company soon commenced to remove silk from the market. By February 22 it held 25,000 bales, and by the middle of March, is said to have withdrawn 25,000 additional bales.

Banks Aid Silk Financing

The raw-silk credit law of September, 1929, was designed chiefly as a measure to meet domestic emergencies. Foreign conditions, however, reacted so unfavorably on silk that the Government, early in March, 1930, indicated its intention of using the 30,000,000 yen to further stabilize silk prices. This indication had a bullish effect in the silk market. On March 6 the Ministry of Agriculture and Forestry announced that the silk price indemnity law would be applied to all silk loans effected prior to June 11, the loan value planned on export bales under this law being 1,250 yen per bale. Losses up to 190 yen per bale were to the made good by the Government. A few days later it was reported that a syndicate of 16 banks, headed by the Yokohama Specie Bank, had set aside 105,000,000 yen for silk-financing purposes, at interest equivalent to 5.84 per cent annually, with certain restrictions.

A comment of Dr. S. Washio in this connection is of interest:

The act contains the provision that it should not be applied except when the price of silk suffers a critical slump from extraordinary causes. The drop of 13 or 14 per cent in the last few months consequent on the rise of the exchange of the yen and the condition of the American market can not be regarded as extraordinary causes. This percentage of drop is rather normal. Canton has suffered a slump of 30 per cent. * * * And the price guaranteed is 1,250 yen per bale against the correct price of 1,080 yen or less that obtained at the time of invocation. This price asked by reelers was decided upon by the Government against the advice for a lower standard presented by the expert officials in the Department of Agriculture itself and also by exporters. The total sum that is to be advanced will reach nearly 200,000,000 yen and the amount of indemnity promised is 30,000,000 yen, which is the full limit authorized by the act. Since the quantity of silk to be benefited by this relief is confined to the old products in the hands of reelers and does not extend to future products, cocoon raisers will not be benefited at all.

Enforcement of the Indemnity Law

Enforcement of the indemnity law took effect on March 24, 1930. Payment of the indemnity was to be made in the form of 5 per cent treasury bonds, according to formal contracts drawn up between the Yokohama Specie Bank and the Central Bank of Cooperative Societies on the one hand and the Government on the other. A maximum of 103,500,000 yen was to be advanced through the Yokohama Specie Bank and 2,500,000 yen through the Central Bank of Cooperative Societies.

On June 5, 1930, it was reported by Commercial Attaché Halleck A. Butts, Tokyo, that the maximum valuation per bale for bank loans made against silk of the new crop would be 720 yen, or considerably less than the 1,250 yen minimum valuation under the earlier Government arrangement, covering the old crop. At that time the Government was extending aid to the silk industry by loaning 24,000,000 yen against cocoons and 16,000,000 yen for fertilizer, as approved by the deposits bureau investigation commission. The loans—by the Deposits Bureau to a list of "special" banks at 5 per cent—were to be made available to sericulturalists at 5.5 per cent.

In view of the difference between the market price level and the arbitrary valuation of 1,250 yen, it was evident—as June 10 approached—that the Government would suffer a considerable loss under the terms of the law passed in March. The Government's losses were estimated in the press at 16,530,000 yen, while banks, traders, reelers, and others were estimated to have lost 18,270,000 yen. These figures do not include the estimated loss of 5,000,000 yen by the Imperial Raw Silk Co. and 6,600,000 yen by others on silk held in compulsory storage.

Extension of Indemnity Loan

Despite anticipation in some quarters that the silk indemnity law would be extended, it was discontinued. However, Consul General Arthur Garrels reported from Tokyo on June 23:

Since there are no signs of improvement in the raw-silk industry the Government announces through the Ministry of Agriculture and Forestry that it will extend its guaranty of the loans due September 4, 1930, made under the raw-silk indemnity law. The extension of the loan necessarily entails added warehousing charges amounting to $21 per bale. The Government, conse-

quently, has extended its guaranty against loss per bale from $95 to $116.

According to the Japan Monthly Trade and Economic Letter for September, the Finance Department had stated definitely that it approved the extension of the raw-silk indemnity loan for an additional period of six months from October 3. The Department of Agriculture also was in accord. Tentative plans indicated that the Government would insist that reelers who were financially able would protect interest charges on loans for the additional period, but that the Government would share a part of the interest and storage charges of the weaker companies.

Recently, in October, the silk-indemnity plan of the Government was altered to 3,516 yen per account, in response to the proposals of the reelers. The advances were made to mature June 30, 1932, and increased the indemnity to 1,616 yen per account. As there were 8,394 accounts, advances reached 28,513,304 yen. Of that amount, 13,564,704 yen are added to the 15,948,600 yen already paid out in indemnity. These two items, totaling 29,513,304 yen, were thus just under the figure of 30,000,000 yen authorized in the original raw-silk indemnification law.

Dependence Upon Government Cited

The Chugai Shogyo Shimpo recently was reported to have commented on the silk industry, as follows:

It is an undeniable fact that the silk industry of the country has quantitatively developed due to the requirements of the times on one hand and the protection of the Government on the other. The production of raw silk, which stood at 22,780,000 kin in 1912, increased to 66,151,000 kin in 1928, having increased three times during the 17 years. It shows far greater progress than the spinning industry, which has made comparatively satisfactory development in this country. * * * As for qualitative development, however, the silk industry lags far behind the spinning industry. * * * While the spinning industry is generally run on a large scale, the silk industry is still largely in the form of a household industry.

Comparing the present with the days of the organization of the present cabinet, the fall of raw silk is about 14 to 15 per cent, and that of cotton yarn more than 30 per cent. So spinners are far more serious sufferers than reelers. There have been many similar cases in the past. In spite of this, the spinners are getting on successfully and independently in the world market. This is due to nothing but the fact that they have for many years endeavored to develop quantitatively as well as qualitatively by trying to replete their position and rationalize the methods of management. Silk reelers are still lacking in the spirit of independence and relying upon the help of the Government. That is chiefly because they have neglected to strengthen their position. position

Dr. Kuanson Young Addresses Sino-British Society

Dr. Kuangson Young, special commissioner in Europe of the Chinese Foreign Office, was the chief guest at a dinner of the Sino-Scottish Society, in Edinburgh, Jan. 10. Dr. Young, addressing the meeting on Chinese and British relations, said that 1931 was for China the brightest year since the Revolution in 1911. For almost twenty years the centrifugal forces had been struggling against the centripetal forces. Fortunately centralization and unification had at last won. The Nationalist Government had succeeded to a certain extent in the work of financial rehabilitation and political stabilization. In spite of unrest and civil war in various parts of the country, China had been pushing ahead. Her foreign trade in the face of the most unfavorable circumstances had climbed steadily.

Turning to China's foreign relations, Dr Young called the Chinese students in Britain "ambassadors of goodwill," and the receiving Universities and friends "the government of goodwill." The keynote of Chinese foreign policy was the revision of the unequal treaties which were binding China down with a system that was archaic, almost one hundred years old. China's desire to abolish extra-territoriality was accompanied by her solemn pledge to respect and protect foreign legitimate commercial and other interests now in China. She undertook to do her best to protect foreign life and property.

Eugene Chen Returns to China After Three Years' Absence

Eugene Chen, Minister of Forign Affairs in the Nationalist Government at Canton and Hankow during 1926 and 1927 (at which time Soviet influence was predominant in China), arrived back in Shanghai February 6, after three years spent in Europe. He was accompanied by Mrs. Chen, who is the daughter of Chang Ching-kiang, former chairman of the Chekiang Provincial Government and head of the National Reconstruction Commission, to whom he was married in Paris last year. Interviewed in Shanghai, Mr. Chen said that he did not wish to give an opinion on China's internal or external politics until he had studied the situation further. About the only definite statement he made was that he was going to visit Sun Yat-sen's tomb at Nanking. He stated that Mrs. Sun Yat-sen was living in Germany and was enjoying good health. Mr. Chen, although most successful as a diplomat during the short term he held office, is best known as a virile journalist, he having been for many years the editor of the *Peking Gazette*, published in the English language. Mr. Chen was born in the Island of Trinidad.

A writer in the *China Times* who says he happened to meet Mr.andMrs. Chen at the residence ofChangChing-kiang, member of the Supervisory Committee of Kuomin-tang, says that Mr. Chen, recounting his three years' experiences in Paris, said that one of his greatest pleasures was to get married, which made a remarkable difference in his life. He further stated that he married Miss Chang July 14, the French Revolutionary Anniversary, at the Chinese Legation in Paris, Dr. Kao Lu officiating.

During his sojourn in Paris, Mr. Chen was both a lawyer and journalist. As a journalist, his writings were largely in connection with his past political activities, and interpreting the "San Min" principles.

Chinese Ultimatum Says St John's Must Register or Close

St. John's University, one of the few educational institutions in China which has defied the National government's decree that such institutions must register with the Government, has now been given an ultimatum, and rumors are current that the trustees will decide to close the school permanently at the end of the present semester. O. K. Yui,Secretary-General to the Municipality of Greater Shanghai, in a recent interview is reported to have said that one of the requirements for the registration of private universities is that Christianity should not be preached, and to this the authorities of St Sohn's took very strong exception because they said their purpose in coming to China was to preach Christianity.

"On the other hand," the Secretary-General concluded, "if the university authorities persist in this attitude, the Ministry of Education will not allow them to continue. There the matter remains deadlocked at the present time. I am afraid that, if the University fails to register by the end of August, steps will be taken by the Chinese Government to suppress it."

Moscow Wants All Refugees Repatriated

According to a report from Harbin, the Soviet authorities in North Manchuria are bringing strong pressure on Gen. Wan Fu-lin, Chairman of the Heilungkiang provincial government, to induce him to hand over all German and Russian refugees in the province to the Soviet authorities for repatriation. While Gen. Wan Fu-lin was at first inclined to agree to the Soviet demand, he is reported to have later decided on humanitarian grounds that the Russian and German peasant refugees from Soviet territory should be granted refuge in Chinese territory. It is understaod that the matter has now been referred to the authorities at Mukden. The Soviet authorities in North Manchuria are evincing serious concern at the large numbers of peasants who are fleeing across the frozen Amur into Chinese territory. Several weeks about 600 German Mennonite farmers from southern Russia and Central Siberia fled into Chinese territory and according to telegrams from Tsitsihar an additional mixed group of 500 Russians and Germans have crossed into Chinese territory in the vicinity of Taheiho. (The "Germans" above referred to are not citizens of present-day Germany).

What Are the Chinese Prisons After All?

To the Editor, *The China Weekly Review*:—

Sir—I happened to be informed that there has been widespread and almost universal criticism of my statements of "model" prisons in China to the Tenth International Penal and Penitentiary Congress in Prague on August 25—30, 1930. I request that you will give me space in your paper to give my own reponsible statement as follows:—

First and formost, I never made any statement concerning our Chinese "model" prisons in the Congress, although I was frequently asked by my friends. Nor did I write back any reports or news concerning the prisons and Congress, for I was of opinion that the conference was a waste of time and the resolutions were never intended to have been carried out by any country. Being the Chinese correspondent of the Howard League for Penal Reform in England, I was asked to give a lecture at the luncheon on September 18, 1930 on the subject of "*My personal experiences* as a voluntary prisoner in a Chinese prison—the Peping First Prison. The main object was to tell my reaction to prison life—mostly my reaction to Peping First Prison situation. The time for my address was only half an hour. I spoke of the Chinese prison system as described "according to law" as an introduction in order to give the general idea about our system. I told the audience what a horrible feeling I had in the prison, although I was specially well treated in every aspect. I also warned them that my experiences did not mean very much in comparison with those of the forced prisoners, even though I became mad at that time. I also mentioned the case of a female criminal, whose craziness was simply due to mishandling by the prison authorities. During the discussion I was asked to tell some possibilities for further prison reform, and I mentioned the few experiments I saw. But I made a very clear indication that most officers were interested in jobs rather than the prisoners on account of their ignorance of the problem, which, as I pointed out, was the chief cause of failure of the Chinese Prison Association. Certain experiments the prison officers tried to carry out were such as the self government system tried by Warden Hsu in Shansi First Prison, and trust system tried by some Mukden prisons. The full wage system for prison labor was very interestingly attempted in Chang Chow Country Jail. Warden Hsu did try to get correspondent courses for the few prisoners of university education in his prison in 1928. But unfortunately such very few experiments I had mentioned were misquoted as the general situations of our "model" prisons.

Barbarous Conditions

My reports in regard to the barbarous conditions of the Chinese prisons can be found in the *China Outlook*, an English magazine of opinion edited by Maxwell S. Stewart in North China in 1928, and my own magazine of *China Tomorrow* in English, and in the *Sociological World* Vol. III by the Commercial Press in Chinese, for which I have recieved several protests, warnings and even threats. But so long as facts are not changed, I cannot but tell the truth in spite of opposition.

For the convenience of the readers, let me tell some facts of my last investigation in North China in Spring and Summer of 1930:

"The most terrible conditions of all in Shansi were found in the prisons which were of course, my major interest. In Tatung, for example, I found that the budget for food during an entire month for 222 persons was only $15 per month. I went into one cell where it was so dark that I had to use a flash light to see, and found no less than 68 persons huddled in a room twenty feet long by twelve feet in width. It was so crowded that when a person was taken out, he could not possibly find his place upon returning. It was absolutely impossible for the men to lie down when sleeping, so they simply leaned against one another and slept as best they could. However the superintendent assured me that conditions were much better than at the end of last year when there had been more than one hundred prisoners in this same room. I found men without any clothes on the upper parts their bodies, although it was still winter. (And there was no fire in the room.) I thought them insane, until one of them knelt down in front of me with tears in his eyes explained that he had been in the prison for two weeks without food and that he had sold his clothes for one bowl of rice to save him from starvation. When I asked the superintendent, about this, he confessed to the truth of the man's charge, but declared that there simply was no money to feed the prisoners. "However", he assured me, "do not worry, because we have put him in the same cell with some rich prisoners and they will see that he does not starve". I looked, but failed to find any prisoners that could possibly have been described as even well-to-do." (This was quoted from my article of "Militarizing the Model Province" in *China Tomorrow* Vol. II No. 6, and this article was reprinted in the *China Weekly Review*.)

In the Detention prison of Tai Yuan, the Capital of Shansi, I saw an announcement issued by the superintendent stating: "It is strange to discover that recently some prisoners died in the dormitories without any knowledge of the prison physician.....Hereafter sick persons must be reported." In the Mukden First Prison the officers did not feel strange at all, when there were several death reports every day in the prison of about 2000 population. When I studied the situation there for two weeks, I discovered that it was a rare occasion, when there was only one death a day. The officers only declared that numerous deaths were due to large prison population. But the ratio was overwhelmingly higher in comparison with those of other prisons. When I tried to find explaination from the physician, I could not find him during my two weeks' visit in that prison. Finally I was informed that he had asked for leave, and an assistant, who was practicing in the South Manchuria Hospital, took his place for the time being by visiting prison about 2 or 3 times a week usually along 6 p.m. But what he did was just to visit office, and all the medical work was carried out by the inmates, who served the office. One day at 11 a.m. I went to the physician's office. I saw 6 sick prisoners wait for the physician. Upto noon time the doctor did not appear. Having stood for 3 hours, they were totally disappointed. The guard in charge became impatient, and ordered them back. I went with them in order to have a chance to be engaged in conversation. They unanimously told me: "Here in the prison we should not be sick, or we cannot be cured. We have unfortunately been sick for a long time on account of the unsanitary conditions, and have asked the approval of seeing the doctor from the superintendent more than a dozen times. Finally thank God, we got the order of approval, and the master (guard) brought us to see the doctor. Our sickness has become more serious than before by standing for a long time in the office, yet we still cannot see our doctor. Now we are sent back again. We don't know when we can get another approval!" And one prisoner burst out crying because of this great disappointment. When I went to visit the hospital, I saw a dark and ill-ventilated room with very desagreeable odors. I was informed that this room contained nearly dead patients. As I looked into the room, I found three silent patients and one patient crying. As soon as he saw me, he cried "Oh! I am not going to die. I am alright. If I can see the doctor and explain the trouble, my sickness will surely be cured. Please do some philanthropic work, and let me see the doctor!" But no attention was paid by any one to his cry. Having seen the situation, nobody will doubt the extreme high death rate in this prison.

Unbelievable Problems

These are only some of the numerous unbelievable problems I discovered in the prisons. With such facts in front of me, how can I give the generalisation that Chinese prisons are "good"? My official report for the Howard League for Penal Reform as the correspondent for China will tell the whole story.

After spending several years of my study of this crime problem in its relation to social system, I am fully convinced that so-called prisoners are nothing but the victims mostly of the present social system, and some of them are due to physiological and mental troubles. "Criminals" are those who violate the penal law, which is only a tool made by the ruling class in order to protect their interests at exploitation of the ruled class. The more I study the problem, the less I can find the real criminals in the prison. When I studied this problem in European countries and in America, to my great surprise I discovered that there is no difference of kind as to the nature of the problem, but difference of degree. This is a world problem.

The prison at its best in accordance with the universal accepted principles of the "civilized" world is still the worst hell for human beings. It is expecially true for the growing child in the juvenile institution. Accordingly I believe that *it is a waste of time to do*

prison reform work only, while the sources of producing crime are not checked.

I am preparing a report of my survey of prisons under the auspices of the National Research Institute of Social Sciences, *Academia Sinica*, in the hope of giving the public a more exact picture as to what the Chinese prison, are like.

CHING-YUEH YEN.

International House, 500 Riverside Drive, New York City, U.S.A., Jan. 9, 1931.

Dr. Frederick A.Cleveland Appointed Acting Chief Inspector of Salt Service

It was officially announced at Nanking February 7 that T. V. Soong, Minister of Finance, had appointed Dr. Frederick A. Cleveland, formerly head of the accounting department of the salt revenue, as Acting Chief Inspector in place of F. Hussey-Freke, who has been appointed an advisor of the Ministry of Finance.

Dr. Cleveland was born in Sterling, Illinois in 1865. He received his Ph. D. degree from Depauw University in 1890, afterwards studying and practising law. In the succeeding years he had been successively member of the Committee of the National Municipal League on Standardization of Accounting and Budgets, instructor at various Universities, including the University of Pennsylvania, New York University, and at Boston University, made enquiries in connection with the American life insurance companies during the time of his service with Haskin & Sells, certified public accountants in New York City, from 1900 to 1906, and served as a member of Mayor McClellan's Commission on Finance and Administration of New York City and chairman of the subcommittee on accounts and administration.

Dr. Frederick A. Cleveland

Dr. Cleveland spent the years 1910-13 in United States Government service under President Taft, first in charge of preliminary surveys, 1910-11, and then as Chairman of the President's Commission on Economy and Efficiency from 1911 to 1913. From June to December, 1913, he was in charge of the staff under John P. Mitchell at the Customs House in New York City. From 1914 to 1915, he was in charge of the preparation of the report on the organization and administration of New York State for the Constitutional Convention; in 1914, also, he was Chief of Staff of an Inquiry into Indian Service and an Inquiry into Methods of the New York Customs Service. From 1916 to 1917, Dr. Cleveland was Director of Studies in Administration, published by the Institute of Government Research. In 1918 he was engaged in war work on a special staff.

After 1919 Dr. Cleveland was Professor of United States Citizenship under the Maxwell Foundation in Boston University. He is the author of many books on accountancy and finance.

China Commitee of China Institute in America Organized

The China Committee of the China Institute in America was organized at a meeting held in the Bankers Club in Shanghai February 3. The meeting was called by Dr. Paul Monroe of Columbia University, New York, who is the President of the Board of Trustees of the Institute Dr. C. C. Wu, Minister to the United States, is the honorary President of the Board.

Chang Kia-ngau, managing-director of the Bank of China, was elected chairman of the China Committee. Dr. Herman Liu, President of Shanghai College, and Dr. M. Y. Chu, member of Kuomintang Central Executive Committee and President of the Sino-French Institute, were named vice-chairmen. Two honorary secretaries were appointed, namely, Dr. Kinn Wei Shaw, Director of the Government Bureau of Economic Information, and Dr. Francis Pan of the Commercial Press.

Shanghai College was selected as the headquarters of the Committee whose members include Messrs. K. P. Chen, Chiang Mon-lin, Hu Shih, William Hung, H. H. Kung, Li Ching-luen, Jerome Liu, T. V. Soong, Sun Fo, P. W. Tsou, C. C. Wang, C. T. Wang, W. W. Yen, Y. C. James Yen, David Yui, and H. C. Zen.

Representatives of the China Committee in other cities were announced: in Canton, Dr. Chung Wing-kwang, President of Lingnam University; in Peiping, Clarence Senn, Executive Secretary of the China Foundation for Education and Culture; in Tientsin, Dr. Chang Po-ling, President of Nankai University; in Mukden, C. F. Wang, Director of the Bureau of Mines; in Hankow, Dr. Z. T. Wu, Director of the Bureau of Inspection of the Ministry of Industry; and in Nanking, Dr. W. F. Wu, President of Ginling College.

It was stated that the purpose of creating such a Committee was to provide a co-operating organization in China to increase the effectiveness of the work being conducted by the China Institute in America. The Institute was established in 1926 by the China Foundation for Education and Culture, its principal purpose being to promote cultural and educational relations between China and the United States.

Under the guidance of Dr. P. W. Kuo, who was appointed the first director of the Institute and is now its honorary director, arranging exchange professorships and scholarships has been one of the Institute's important activities. It has also arranged educational exhibits, notably one at the Sesqui-centennial Exposition in Philadelphia which received a Grand Award. The Institute maintains an information service and a speakers' bureau as permanent features of its work, and publishes monographs at intervals. Mei Lan-fang, the celebrated Chinese actor, toured the United States last year under its auspices.

French Scientific Expedition to Tour Southwest Provinces of China

Application was recently filed with the Ministry of Foreign Affairs at Nanking by M. Wilden, the French Minister to China, on behalf of a Scientific Expedition organized by scientific circles in France, for the purpose of exploring the south-western provinces of Yunnan, Sikong, Tibet, Szechuen and Sinkiang.

The proposed expedition, it is reported, is to consist of a huge organization, of several hundred members. While a part of its plans is to conduct scientific investigations, it is said that a project for the opening of a motor highway from Annam to Sinkiang, passing through the provinces of Yunnan, Szechuan and Sikong, so as facilitate the development of the country's rich mineral resources, is also contemplated. A number of survey experts will be included in the party.

Chinese Customs to Abolish Drawback System After April 1

The Chinese Maritime Customs has decided upon the abolition after April 1, of the system of giving drawbacks on re-exports. The system had been much abused. Bonding arrangements which were promulgated last summer are expected to minimize any handicaps merchants may feel as the result of the abolition of the drawback system. Under the bonding system provision is made for the bonding of private warehouses in Shanghai and in treaty ports of the country. An importer may now apply for permission to store goods in a bonding room approved by the Customs, whereas formerly goods could only be left in bond in public warehouses having direct access to a wharf. Goods may now be stored in bond for a period of a year, after which, if they are not re-conditioned or repacked, they may be exported without payment of further fees.

China's Silk Trade Badly Hit By World Slump

BY T. S. MIAO (繆鐘秀)

CHINA'S raw silk trade in 1930 suffered from severe times—unprecedented since the prewar period. The curtailed demand of fabrics in all raw silk comsuming countries and the overproduction of the raw silk in Japan constitute the two main factors bringing about the slump in the world silk trade. In addition, China had her own difficulties. High prices and low yield of the Spring cocoons brought up the cost of the material for raw silk while the successful demands of reelers for better wages increased its manufacturing cost. As a result, China silk was thrown out of competition with Japan silk and the primary market experienced a state of extreme dullness for the last four months of the year.

Cocoons represent approximately 75% of the cost of the raw silk production. The cost of cocoons is made up by the price and yield of cocoons. By price is meant to include three items; actual price paid to the farmers, drying expenses, and inland taxes. By yield is meant the amount of cocoons required to make one bale of silk. While the taxes are fixed, and the drying expenses vary negligibly each year, the price and yield are the main source of speculation for silk and cocoon merchants. If the price is reasonable and the yield high, the cost of raw silk will be low; otherwise, the cost of raw silk will be high and will, therefore, make it difficult to compete with Japan silk. An investigation of last year's cocoon crops with regard to these two points reveals the following results:

It is roughly estimated that in order to supply all the filatures in Kiangsu and Chekiang with sufficient cocoons for the whole year's operation, both provinces have to produce fifty thousand piculs of dry cocoons The Spring crop of 1930 in Kiangsu and Chekiang, on which the filatures depend as their main source of supply for the whole year production, fell far short of the expected amount of production. While reliable statistics as to the exact quantity of dry cocoons produced in both provinces are not available, it is generally reported that Kiangsu succeeded in turning out eleven hundred thousand piculs, and Chekiang, twenty five hundred thousand piculs of Spring cocoons. In the light of these figures it is obvious that there was a deficit of one hundred forty thousand piculs of cocoons for the year's supply in the Spring.

The prices paid for fresh cocoons ranged from 50 to 65 dollars per picul. The yield varied with different localities and ranged from 5.50 to 6.50. With drying expenses and taxes inclusive the cost of a bale of silk went up to 900 taels. With the manufacturing expenses of about 250 taels added thereto the actual cost of silk was around 1,150 taels per bale.

Summer Crop Dwindles

The Summer crop, coming two months after the Spring crop, did not, as usual, contribute any appreciable amount to the supply, being only a few thousand piculs in total for both provinces. Before the production of Autumn cocoons started five years ago, filature operators depended upon the Summer crop to make up deficit of supply, if any. To-day they look to the Autumn cocoons; the Summer crop has become an insignificant source of cocoon supply.

The agitation for the production of Autumn cocoons was started about ten years ago. Because of the lack of facilities for storing the egg cards, the actual production was delayed until five years ago whe the Chinkiang Station of the International Committee for the Improvement of Sericulture was enriched by the donation of over ten thousand taels from several filaturists. The money so donated was immediately used in building a large cold storage house by which the Station was enabled to produce the first Autumn eggs in Kiangsu and Chekiang. This move served as a great impetus to other institutions in producing Autumn eggs. As cold storage facilities are necessary for Autumn eggs and no farmer can afford to have such facilities, the production of Autumn eggs becomes a privilege to the Egg Producing Stations over which the Government will have strict supervision. This entirely prevents farmers from producing eggs themselves which are usually infected with diseases and become a menace to the silk industry. It is predicted that with all Autumn eggs scientifically prepared it will not be long until native eggs will be entirely replaced by disease free eggs.

The hope for sufficient Autumn cocoons to make up the deficit of supply was not fully realized as Kiangsu and Chekiang produced altogether 31,000 piculs only. However this amount represented one hundred percent increase over the production of the previous year.

Sericultural Improvement

Nearly every silk reeler today realizes the higher economic value of disease free eggs. In Spring and Autumn, filaturists vie with each other in securing egg cards from sericultural improvement stations. Consequently, the production of disease free eggs has become a lucrative commercial undertaking. In 1930 there were over 120 private commercial egg producers who, in conformity with the government regulations, prepared their eggs in a scientific way, thus eliminating diseases from eggs. The largest egg producing concern is capitalized with over one hundred thousand dollars and has all the facilities necessary for the production of both Spring and Autumn eggs.

There are nine public sericultural improvement institutions in Kiagsu and Chekiang, carrying on practical extension and demonstration work in various cocoon districts.

For the supervision over the commercial egg production, the late Ministry of Agriculture and Mining promulgated regulations and established an egg inspection bureau for the inspection of imported eggs as well as the eggs produced in this country. However, the Kiangsu Provincial Government also maintained an Egg Inspection Bureau for exercising control over the commercial egg producers in Kiangsu. This duplication of authority and work was fortunately brought to an end when the late Ministry of Industry, Commerce and Labor and the Ministry of Agriculture & Mining were merged into the present Ministry of Industries.

It was rumored in the latter part of the year that Japanese cocoons were brought into this country in large quantities. This rumor ushered in opposition from all cocoon merchants in Kiangsu and Chekiang, and as a result the importation of Japanese cocoons was banned.

Modern Reeling Plants

Filaturists long desired a change for their reeling equipment. In 1928 the Filature Association of Shanghai sent three delegates to Japan to study their methods and the conditions in their industry. The mission was soon followed by another group of filaturists and newspaper men from Wusih. These visits resulted in a number of changes introduced into the reeling industry in Kiangsu and Chekiang, including private experiments conducted in filatures and new establishments in various silk districts. The year 1930 witnessed the establishment of two large modern filatures in Wusih and one in Chekiang equipped with the most modern machinery. Realizing the inadvisability of the old individual boiling method which involved a great economic waste of cocoons on account of the lack of experience on the part of the operatives and irregularity of temperature of water, a great number of filatures adopted the central boiling system. It is interesting to note that the new filature equipment and central boiling system introduced into Italian styled filatures were so efficient that the reeling expenses were lowered by twenty percent and the quality of silk from such filatures is much more uniform than heretofore and, therefore, superior to those reeled under the old method.

The model filature in Hangchow was founded in 1929 and expanded in 1930 from 80 to 160 basins. The fact that the filature is operated under scientific management and turns out silk of excellent quality induces filaturists from both provinces to visit it throughout the year. Undoubtedly it is now the source of information on the new reeling system and will inspire many filaturists to adopt the modern system.

Labor Situation

Labor agitation has menaced our silk industry for the past four years. Under constant threats of strike by operatives, filatures have found it extremely difficult to excercise control over their helpers. Cases in which the entire labor force of a filature went on strike on account of the dismissal of one or two operatives for their carelessness in reeling are many. Undoubtedly this situation should receive the Government's immediate attention. Otherwise, there should be little hope for the development of our foreign silk trade as the quality of silk could not be improved under such labor unrest, no matter how superior the cocoons may be.

It has become the annual experience of the silk industry to face the demands of the operatives in Shanghai and Wusih filatures for better wages and other benefits immediately after each New Season. In 1930 the operatives

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Some Peculiarities of the New Chinese Civil Code

BY CHEN TSUNG-HSI (陳宗熙)

The new Chinese Civil Code has been passed by the Legislative Yuan and promulgated by the National Government. It comprises five books on (1) General Principles, (2) Obligations, (3) Rights over Things, (4) Family Relations, (5) Succcession. Although the Code is made within a brief span of time, yet by the opinion of many it is quite new and characteristic. It is based on the Three Pinciples of the People. It is a complete departure not only from the general structure and principles of the traditional Chinese law but also from the imitation of Japanese legal literature. As expressed by Hu Han-min, President of the Legislative Yuan, and by Foo Ping-sheung, Chairman of the Foreign Relations Committee of the said Yuan, the Code is noteworthy in the following respects:

"First of all, it was thought that in such a vast country as China, extending over the major part of inhabited Asia, and whose population exceeds four hundred millions, it would be impossible to impose uniform minute rules on every sort of human activities. Room was to be left for the application of local customs. There were in the 1925 draft a number of provisions of secondary importance which are commonly called "interpretative provisions." They are to be found in most of the codes and are intended to supplement omissions in the documents or silence of the parties. These "style clauses" are supposed to represent the presumed intentions of the people concerned, what they would have said or what they would have done if they had expressly shown their will. Most of these provisions have been left out, the diversity of local practices showing sufficiently that no uniform given formula could fill everywhere the requisite aims, and the "style clauses" differ in China from place to place. On many other points, the application of local customs differing from the Code provisions was expressly reserved: this is particularly noticeable in the Third Book on Rights over things which deals with the various forms of tenure of land. It was the wish of the Commission that many traditional agricultural coustoms, which had grown out of the geographical or economic conditions of particular districts should be preserved so long as they were not contrary to public order or good morals."

Secondly, a deliberate social character. Unlike the old familial type of the Chinese legislation as well as the individualistic legislations of Europe and America, the new Code has a deliberate social character. However, it does not mean to eliminate the individual rights and liberty. What it does mean is that the individual activities are to be restricted when they would be harmful to the group. Furthermore, the property of individuals are protected just as firmly as before. As the social equilibrium between the interests of the individual and the interests of the group is the fundamental principle of the Kuomintang Party, the frame of the new Code follows in this track. Article thirty-sixth of chapter second of General Principles on Persons may be quoted as an apt illustration of this tendency. It reads: "Whenever the object or the activities of a juristic person are found to be contrary to law, public order or good morals, the court may order the dissolution of the juristic person on the application of the competent authorities, the public procurator or any interested person."

Thirdly, equality. So far as equality between men and women is the platform of the Kuomintang, there is no questioning that the new Civil Code embodies the very thought in words. For instance, the New Code uses the word "person" for "人" in lieu of two different terms "man" and "woman" in the old law. Again before the old law a woman especially a wife was an interdicted person and as such was not allowed to waive her legal capacity or her disposing capacity as those practised in Japan and in some other foreign countries today. What she did—in loaning, guaranteeing, reconciling, contracting and what not—she had first of all to get the permission of her husband. Inferior, indeed, was her position. But now the case is different. We have no such unequal status at all. Furthermore, under the new legislation the present woman has been granted the privilege of disposing of her own property. Should the space permit, more instances could be cited. However, it is quite sufficient to prove that the new Code particularly in respect to the position of woman is really new and even more progressive than the present foreign legislation.

In addition to the above-stated marked peculiarities one point should be mentioned: we have the simplicity of the way of enactment which is also a significant point of the new legislation. Generally the way of enacting a law is two-fold: viz, the Roman type and the German type. Now in codifying our new Code we have picked out the best of these two types. And in some places what is worthwhile in the Siamese or the Soviet Russian legislation has also been adopted. The writer takes it for granted that to condense and concrete the chapter on "General Principles," and to amalgamate the chapters on "the Natural Persons" and "the Juristic Persons" of the Code are some of the praiseworthy fruits of the labor of the Legislative Yuan in codifying the new Civil Law.

CHINA'S SILK TRADE BADLY HIT BY WORLD SLUMP

(Continued from page 389)

in Shanghai did not take any concerted action. A few minor instances were reported in one or two of the six silk districts in the city. They were settled before the situation become aggravated. However, the reelers in Wusih took united action in presenting a set of twenty-four demands in June. The object of the demands was for a general increase of wages. In the beginning, the owners of filatures took a very firm stand that in view of the world silk depression and in view of the fact that the reelers in Japan voluntarily reduced thirty percent of their wages, there was no reason why the reelers in China should demand an increase. However, upon the intervention of the local political and party leaders, the filaturists weakened in their stand and finally agreed to an increase of ten percent of the wages.

Enforcement of Raw Silk Testing Regulations

Perhaps one of the outstanding events of the year was the promulgation and enforcement of the regulations of raw silk testing by the former Ministry of Industry, Commerce and Labor on April, 1, 1930. The power of enforcing the regulations was delegated to the Raw Silk Testing Department of the Shanghai Bureau of Inspection & Testing of Commercial Commodities. The regulations include compulsory conditioning of export raw silk through which transactions in raw silk are put on the basis of conditioned weight. Much agitation against it was shown on the part of filature operators, when the regulations were first discussed between the authorities of the Bureau and the silk merchants. However, all differences of opinion were finally settled and the regulations were put into force as scheduled.

The number of silk exporters in Shanghai is growing each year. There are 77 exporters, among which five are operated entirely by Chinese.

Price Fluctuations

The most significant event of the industry for the year was the sudden drop of raw silk prices in the month of September. If we go back to the beginning of the year we find that the Extra B grade of steam filature silk was sold at 1110 taels. It rose from 1110 to 1160 in February and March until the early part of April when it assumed a downward tendency. The same grade was quoted at 960 in the middle of May. However, it resumed its upward trend the latter part of May, and the price reached almost the peak for the year in June. For the same month the market remained steady at 1100. Before the decline began in August, however, it had a temporal revival and quotations were given then at 1130. The slump in the Shanghai market began in September and caused almost the entire suspension of the industry. The prices went down from 990 at the end of September to 850 in December.

In passing from the subject it might be well to mention that in Japan the slump took place early in June and the average price came from 1140 yen per bale to 800 in less than a week. Had it not been for the favorable exchange rate the sudden drop of price in Japan could have caused the bankruptcy of our entire industry in China.

Shanghai, Jaunay, 1, 1931.

Canton Authorities to Pay French Catholics $550,000 for Properties

A recent dispatch from Canton stated that the Canton municipality is signing an agreement with the French Catholic Archbishop agreeing to pay the Archbishop $550,000 (Hongkong currency) for buildings erected in 1924 on land given by the Chinese government to the Catholic Church. The Canton authorities, arguing that it was wrong for missionaries to use the property for deriving an income, at first demanded forfeiture of the land and buildings but finally they agreed to make compensation.

French Legation Guards and "Hot For Paris"

BY EDWARD BING-SHUEY LEE

TWO incidents which were precipitated by French and Japanese soldiers in Chinese territory outside the Legation Quarter of Peiping have aroused the indignation of the Chinese people in this part of the country and the Chinese press is denouncing the acts of these foreign soldiers in scathing terms and demanding the removal of all foreign troops from Chinese soil.

On the evening of January 26 a group of about twenty French soldiers in uniform created an uproar in the Chinese-owned Pavilion Theatre and rushed in the direction of the projecting room with the intention of tearing up the American talkie "Hot For Paris". It must be recalled that barely a month ago some Italian marines in uniform entered the same theatre, and without warning, forced their way into the projecting room, seized the American film "Three Sisters" and burnt it outside in utter disregard of law and order. No information has come to light regarding the reprimand or punishment of the culprits, and the foreign news agencies were strangely silent regarding the matter. Apparently, the French soldiers were encouraged when the information reached their ears that the Italian marines had destroyed Chinese property on Chinese soil without being brought to book for this outrageous conduct, and with this thought in mind they rushed in the direction of the projecting room, and at the same time gesticulating wildly and shouting acrimoniously. In apprehension of the destruction of the film "Hot For Paris"-an apprehension which is justified by the unwarranted violence of the Italian marines in tearing up and burning the film "Three Sisters"-the management suspended the performance before the French warriors had a chance to seize the film, and money was refunded to those who attended.

The picture itself is a mere light comedy and the theme hinges around a sailor who wins a $1,000,000 lottery ticket, and in keeping with the saying that "a sailor has a girl in every port", meets many alluring French damsels at Havre. People who saw the film in question were surprised to learn that the French soldiers objected to a seemingly harmless story in such a violent manner. One theory was advanced that the attempted destruction of an American film is merely a renewal or perpetuation of their local feud with the American marines. Another clue to the outrage is provided by the French paper *Le Journal de Pekin* who denounced the picture on the ground that the film is "stupid" because it had reference to the winning of a prize of $1,000,000, for "le Grand Prix de Longchamps". The paper goes on to say that "there is no doubt that the author of 'Hot For Paris' ignores the fact that Sweepstakes have never taken place in France."

French Sailors Disgraced Themselves

All right-minded persons will agree that the French soldiers have disgraced themselves and their Legation by acting in an outrageous manner, which cannot be tolerated in this country or any other country in the world. One can well imagine how far a group of French or Italian soldiers would get in America or any other country in an attempt to force their way into the operator's room of a cinema with a view to destrying the film. But apparently, these lawless and unruly foreign soldiers felt that they were under the secure protection of extraterritoriality and could flaunt Chinese law and the Chinese police with impunity. But were the Chinese police to actually scuffle with these offending "upholders of law and order" of the Legations it does not require very much imagination to realize that this action may result in bloodshed which will create an international incident, and will fan the flames of Chinese public sentiment to such an extent that all that has been done to cement the bonds of friendship between China and foreign Powers may be undone in one stroke.

Whatever may have been the objection of the French soldiers to this American film they could, have used other means to stop the picture without resorting to such violent tactics. Either the Chinese authorities should have been informed of the nature of the objections so that proper steps may be taken with the theatres concerned to stop the picture or cut certain objectionable parts, or the diplomatic representatives of the "offended" country should have negotiated with the representatives of the producing country to stop the film altogether from entering the country. But the French Legation Guards chose to take the matter into their own hands in utter disregard of the consequences.

A further source of irritation on the part of Legation Guards is provided by the unwarranted action of Japanese soldiers in carrying on their sham battle in Chinese territory on the public thoroughfare of *Tung Tan Pai Lou* and the market nearby, terrifying the Chinese pedestrians with their martial appearance and impeding traffic for a while. The Japanese Legation Guards began their practice at 10 o'clock on the morning of January 27 in their drill ground which is located within the limits of the Legation Quarter as provided for in the International Protocol of September 7, 1901. For the purpose of carrying on their sham battle they were divided into an attacking and defending force, but without warning they rushed along the adjacent streets outside the bounderies of the Legation Quarter with rifles and fixed bayonets. It does not require any stretch of imagination to realize the terror and consternation that prevailed among pedestrians, bystanders and rickshaw coolies at the sight of a struggle between soldiers in uniform and carrying rifles with fixed bayonets —even though it may be a sham battle.

Japanese Violate Protocol

In Article VII of the International Protocol of 1901 which was signed by China under duress as a result of her crushing defeat in the Boxer war, provision is made for the Legation Guards in the following terms; "China recognized the right of each Power to maintain a permanent guard in the said quarter for the defense of its Legation." In a communication dated June 13, 1904 relating to the adminstration of the Legation Quarter, the representatives of the Powers again touched upon the question of the Legation Guards to the effect that "each Legation is provisionally charged with the control of that part of which it has at present assumed the defence, and the Commandants of the Guards shall be invited to consult together on all metters relating to its military organization." Nothing was mentioned in the Protocol that foreign soldiers shall stage sham battles, although the fact that the Legation Quarter is placed under the exclusive control of the Legations and the glacier is reserved for the defense of the Quarter may be taken by the Powers to mean that their soldiers can drill and stage sham bettles in the open space within the limits of the Quarter. No objections can be raised to the movements of troops within the Legation Quarter.

But the action of the Japanese soldiers in charging along the public thoroughfare in Chinese territory constitutes a serious abuse of the International Protocol of 1901 to which Japan is a signatory and a gross violation of International Law by an unwarranted encroachment upon the territory of a friendly nation with armed soldiers. This is not the first time that the Japanese troops have exceeded their treaty rights, for only two months ago the writer saw armed Japanese troops marching in regular formation along Hatamen street near the scene of the recent incident. Again, it must be recalled that shortly after the never-to-be-forgotten Tsinan incident of 1928, Japanese troops staged a similar sham war and carried on their bayonet practice on *Tung Chang An Chich* near the market place in the locality where the latest incident took place.

All these incidents lead fair-minded men and women to the conclusion that to prevent a further source of irritation to the Chinese people and continued conflicts among soldiers of different nationalities, the Legation Guards should all be recalled back to their respective countries, and the Legations should be forthwith moved bag and baggage to Nanking.

Peiping, Jan. 28, 1931.

House of Commons Discusses Chinese Indemnity and Railways

In the House of Commons Feb. 2, the Under-Secretary of State for Foreign Affairs, Hugh Dalton, was pressed to expedite the appointment of the China Purchasing Commission under the China Indemnity Bill. Mr. Dalton replied that the Chinese Minister in London and a representative of the Chinese Ministry of Railways would be the Chinese members of the commission. The remaining four would be British and would be selected by the Chinese Government from the panel of names which would be submitted to them shortly.

Replying to a question, Mr. Dalton stated that the British government was of the opinion that the obligations to British holders of loans for building and equipping the Canton-Hankow, the Tientsin-Pukow, the Lung Tsing-U Hai, Lunghai and the Canton-Kowloon railways should be treated separately from the Boxer Indemnity position although the government was anxious that Sir Miles Lampson should use his utmost influence in the matter of obtaining a settlement.

American Direct Investments in the Orient

(By Herbert M. Bratter, in Commerce Reports, Dec. 15)

The recently released study of American direct investments abroad shows the value of such holdings at the end of 1929 as over $7,477,000,000—a sum equivalent to about 70 per cent of United States loans to the allied powers during the Great War. Considering our population of 122,000,000, the value of our branch offices and plants overseas is equivalent to a per capita investment of more than $61, as against our per capita wealth of $3,006 (in 1928).

Of the $7,477,000,000, close to three-quaters is invested in the two Americas and practically one-fifth in Europe, including $102.000,000 in Africa.

The remainder, or 7.3 per cent, represents our investments in the Far East, including Australia and New Zealand. To more adequately show the position of our far eastern investments, the following table is presented:

American direct investments abroad at the end of 1929

Area	Amount	Per cent of total
Latin America	$3,518,739,000	47.1
Canada	1,960,320,000	26.2
Total, America	5,479,059,000	73.3
Europe	1,352,753,000	18.1
Africa	102,229,000	1.4
Asia	394,540,000	5.3
Australia and New Zealand	149,154,000	2.0
Total, world	$7,477,735,000	100.0

Australia, China, and the Philippines Most Important in Orient.

Although our far-eastern direct investments are only less thet 10 per cent of the total, they amount to the appreciable sum of $543,694,000, of which Australia and New Zealand have $149,154,000.. The remaining $394,-540,000 is invested in Asia, where China (excluding China trade act companies which are largely owned by American citizens residing in China) accounts for nearly one-third. If we include approximately $25,000,000 representing China trade act companies, our direct investments in China are over twice as important as those in Japan, even though Japan's trade with the United States is much the more important of the two. Japan does not occupy even second place in our direct investments in Asia, for in addition to China, it is led, secondly, by the Philippine Islands, and, thirdly, by the Netherland East Indies. Since the Philippine Islands is an American possession, our large interest in Philippine railroads, public utilies, sales organizations, and factories is readily explained. If our holdings of Manila Railroad Co. bonds were included, this item would be increased, while inclusion of investments of Americans resident in the islands would further raise the total by possibly $65,000,000. The importance to us of the Netherland East Indies, explained largely by rubber ($23,000,000) and "miscellaneous" enterprises (41,000,-000), has arisen because of our automotive industry. After Japan, where our direct investments are largely in manufacturing, India comes next with $32,676,000—burlap manufacture the chief item—followed by British Malaya, Siam, and French Indo-China, in which group rubber, tin, and petroleum selling predominates, and the Near East. in which Iraq's oil fields are the most important. The following are the figures:

American direct investments in far eastern countries at the end of 1929

Country	Amount	Per cent of total
Australia and New Zealand	$149,154,000	27.4
China	113,754,000	20.9
Philippine Islands	79 935,000	14.7
Netherland East Indies	66.012,000	12.1
Japan	60.700.000	11.2
India	32,676,000	6.0
British Malaya	27,103,000	4.9
Asian Near East:		
Iraq	6,218,000	——
Palestine, Syria, and Cyprus	7,050,000	——
Persia	1,092,000	——
Total, Asian Near East	14,360,000	2.6
Total Asia, Australia and New Zealand	543,694,000	[1] 100.0

Difference of 0,1 in summation due to abbreviation of items.

[1] The statistics in this article are based on Trade Information Bulletin No. 731, American Direct Investments in Foreign Countries, by Paul D. Dickens, which is obtainable from the Superintendent of Documents, United States Government Printing Office, Washington, D. C., or from any district office for the Department of Commerce, at 10 cents per copy.

Petroleum Leading American Interest in the East

Grouping our far eastern direct investments by industries, we find that the refining and distribution of petroleum products comprises the largest activity, followed by manufacturing, selling, rubber, and communication and transportation. The figures are as follows:

Employment of American direct investments in the Orient at the end of 1929

Activity	Amount	Per cent of total
Petroleum	$182,857,000	33.6
Manufacturing	124,475,000	22.9
Selling	56,370,000	10.2
Rubber	42,620,000	7.8
Communication and transportation	35,770,000	6.6
Mining and smelting	10,077,000	1.7
Miscellaneous	91,525,000	16.8
Total	$543,694,000	[1] 100.0

Selling Predominates, Followed by Manufacturing

From these figures it is apparent that selling activities account for our major direct investments in the Orient, for the petroleum investments are chiefly in sales organizations. Close to $39,000,000 of the petroleum total is in Australia and New Zealand and $43,000,000 in China. To the petroleum distribution total of $183,000,000 add $56,-000,000 representing investments in other sales organizations, and—without allowing for an unknown portion of the item "Manufacturing," which undoubtedly contains some investsment in sales organizations—the resultant $239,000,000 is 44 per cent of the far eastern total. After "Selling," the figures show our chief branch-plant interest in the Orient to lie in mannufacturing, and selling and manufacturing combined comprise just about 70 per cent of the total.

Straight sales branches are most important in Australia and New Zealand, Japan, the Philippines, and China, whereas for petroleum the order is Australia and New Zealand, China, the Philippine Islands, and Japan. American branch factories in the Orient are most important in Australia and New Zealand, Japan, India, and China. Our rubber companies have located chiefly in the Netherland East Indies, followed, of course, by Malaya. Our communication and transportation holdings are practically all in the Philippines.

[1] Difference of 0,2 in summation due to abbreviation of items.

[1] Difference of 0,2 in summation due to abbreviation of items.

A Proposed Trans-Pacific Airship Service

Edward P. Farley, chairman of the executive committee of the American-Hawaiian Steamship Company, announced in Washington during the week that his Company plans to link California with Hawaii, the Philippine Islands, China and Japan by dirigible.

According to Mr. Farley his company, provided a bill now before Congress is passed, will start the transocean service with a single airship operating on a weekly round-trip schedule between Hawaii and the mainland United States. He said the ship would carry mail as well as passengers and express matter.

Eventually, Mr. Farley said, the trans-Pacific dirigible service could be extended to Manila, Hongkong, Shanghai and Tokyo.

The Chinese Language in Fifty Ten-Minute Lessons!

BY PROF. W. W. SCHARFFENBERG

Lesson No. V

PHONETICS
C
ASPIRATES

One of the peculiarities which impress the student of the Chinese language is the strange way of aspirating some syllables while others are not aspirated at all. An aspirate is a sort of sound made by means of holding air in the mouth with lips closed and then forcing the air suddenly out. The result is a sort of explosive sound. In order to understand just what is meant by an aspirate and an unaspirated syllable we suggest you secure a piece of tissue paper and hold it up before your lips, then repeat the word "pin". You will notice a sudden release of air, an explosion which will force the tissue paper to fall over. This is a good illustration of an aspirate.

Now try it again. This time say "book". You will notice that the tissue paper does not move. This is an unaspirated initial. The term used by the Chinese means literally to expel breath. This implies a force behind the act. One of the common errors of a foreigner in speaking Chinese is to fail to aspirate those syllables which should be aspirated. There is as much difference between an aspirated and an unaspirated word in Chinese as there is between pin and bin in English. There is absolutely nothing in the form of the character to designate whether it is to be aspirated or not. When we explain the sound in Phonetics we use a small mark, as a comma and place it on the upper right after the initial sound. When this aspirate mark does not appear, we know it is unaspirated. Examples: Aspirated sounds—t'an, p'an. Unaspirated sounds—tan, pan, etc.

Keep your eyes open and watch for those characters that are aspirated. If you are fortunate to be working with some Chinese friend or teacher, ask him to pronounce the character. Reproduce all aspirates as you hear them, imitate your teacher. You will very often find your teacher shaking his head when you repeat after him. Perhaps it is due to the fact that you failed to aspirate the syllable. Pay special attention to the aspirated syllables, reproducing them exactly, as your teacher produced them. Patience and perseverance is the price you will have to pay to secure accuracy with the aspirate.

In our next lesson we will continue our study of the phonetic symbols used in the final sounds of the Chinese language.

Character No. 21 (不5)
No, Not, a Negative

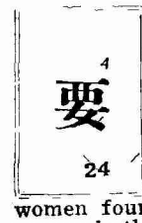
Pronounced pu', the u as the oo in food.
The radical 一 as we have already learned when used at the top of a character refers to the sky as limit. The lower part of 不 refers to a bird flying up towards the sky but unable to get there, hence the idea of not, no, or sign of the negative A very useful character.

Character No. 22 (甚2)
Very, What, a Superlative

Pronounced ʃen, the e as the a in at.
The radical 甘 refers to something sweet, agreeable, enjoyable, hence pleasure. While the lower part of the character 匹 refers to half of the whole, as one of a pair, or to pair or mate. The character 甚 therefore means strong affection for one's mate. This being one of the strongest emotions it is also used as a superlative, very.

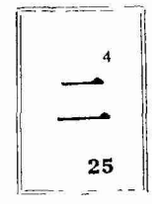
Character No. 23 (麼1)
A sort, an interrogative particle, A sign of a question.

Pronounced mo, the o as the o in pole.
This character is listed under the radical 麻 which means hemp or hemp fibre. It refers to the hemp 林 being stripped off the stalk and brought into the storehouse under shelter 广 for drying. The lower part of the character 幺 refers to fine thread that is obtained from the cocoon, and in combination with the above gives one the idea of entanglements or trouble.



Character No. 24 (要4)
To want, to wish

Pronounced iaᵛ, the i as the e in he, and a as the ow in cow. (spelled also *Yao*)
This character is listed under the radical 西 west. The lower part 女 for women. The original meaning of this character seems to have been entirely lost. Is it plausible that what the originator of this character wanted was a type of women found in the West? The character seems to refer to the women in the West.



Character No. 25 (二4)
Two
"

Pronounced er, the er, the er as the er in *her*.
This character perhaps originated from the idea of two simple marks to indicate number. However, since then the ideas of heaven and earth, the masculine and feminine, and other like ideas have been added. It is used as the common number two.

Vocabulary List

31.	不要	— pu' ia ᵛ	— Do not want.
32.	要不要	— iaᵛ pu' iaᵛ	— want or not want.
33.	甚麼	— ʃen mo	— What?
34.	是的	— ʃᶻ ti'	— Yes, correct, right.
35.	是不是	— ʃᶻ pu' ʃᶻ	— Right or wrong.
36.	不是的	— pu' ʃᶻ F	— No, not correct, wrong.

Sentence Work

41.	這是甚麼東西	— What is this thing?
42.	他要不要那個東西	— Does he want that thing or not?
43.	那是甚麼	— What is that?
44.	那些東西	— Those things.
45.	這些東西	— These things.
46.	這是甚麼	— What is this?
47.	甚麼人的	— Whose?
48.	這是甚麼人的東西	— Whose is this?
49.	那是他的	— That is his.
50.	我不要那個東西	— I don't want that thing.

These simple lessons in the Chinese written and spoken language, the first of which appeared in *The China Weekly Review* on Jan. 17, will appear throughout 1931. Persons interested in a more intensive study in class work or by correspondence are requested to communicate with Prof. Scharffenberg, care THE HOME STUDY INSTITUTE, No. 25 Ningkuo Road, Shanghai.

China's Efforts to Suppress Opium; Rumored Monopoly

The Chinese representative at the session of the Opium Committee at Geneva February 5 emphasized that strenuous efforts are now being made by China to suppress illicit trade in opium. He pointed out that many new regulations for the suppression of the traffic had been promulgated in China during the past two years and he claimed that their effect had been most encouraging.

Reference was made to the statement of the Chinese Foreign Ministry that the importation and sale of narcotic drugs would be undertaken by a National Agency, which was being formed by the Ministry of the Interior, and that the amount of narcotics to be imported would be determined annually by the State Council. In addition, it was announced that particular pharmacies would be designated as agencies for the distribution of the drugs and that the port of entry would be limited to Shanghai.

The Chinese representative asked for the co-operation in this general repressive work of all States having concessions in China.

The Commission decided to await the result of the negotiations for inquiring into the situation in China as recommended by the Opium Commission of 1929.

The Opium Committee at Geneva passed a resolution Feb. 3 urging the withdrawal of the licence of any firm manufacturing drugs for illicit traffic. The resolution is being forwarded to the Governments concerned with a request for a decision before the assembly in May of the conference for the limitation of the manufacture of drugs.

L. A. Lyall, formerly Commissioner of Customs in Shanghai and now Chairman of the Permanent Opium Board of the League, disputed the figures of the weight of opium sent in 1929 from Hongkong to India but Sir Malcolm Delevinge (Britain) retorted that the Hongkong Government was not in the habit of giving wrong figures.

Mr. Lyall also called attention to the excessive consumption of drugs in Kwantung Leased Territory.

Mr. Sato (Japan) said he recognized that the situation was unsatisfactory and promised to seek for an improvement.

The Opium Committee passed a resolution that diluted drugs whatever their degree of concentration shall be considered as falling within the provisions of the Geneva Opium Convention. A resolution was also passed that the League Council should urge the various Governments concerned to refuse import and export certificates to notorious traffickers in drugs.

National Opium Suppression Commission Reorganized

Reorganization of the National Opium Suppression Commission was decided upon at meeting of the State Council at Nanking last week. A new Commission consisting of thirteen members was accordingly appointed as follows: Dr. Liu Jui-heng, General Chang Hsueh-liang, Li Chi-hung, Chung Ko-to, Dr. Lo Yun-yen, Dr. Wu Lien-teh, General Chang Shu-sheng, Tien Yung-fei, Admiral Chen Shao-kuan, Hu Yu-wei, Chen Ping-huang, Ssu Tsan-ming and Dr. Ma Yin-chu.

Alleged Proposal To Form Government Opium Combine

According to a report which appeared recently in a Japanese newspaper which was reproduced in *The China Times*, Chinese paper in Shanghai, the Chinese Government has sent representatives to Formosa for the purpose of investigating the Japanese opium monopoly in that territory with the object of introducing a somewhat similar system into China. In addition to this report the *Shanghai Evening Post* on Feb. 10 published an article by its Chinese contributor, Hsiao Fung-soh, which stated that Dr. Wu Lien-teh, well known plague prevention and quarantine specialist had also proposed a scheme for an opium monopoly. According to Mr. Hsiao's article, Dr. Wu Lien-teh claimed that the annual revenue from opium amounts to between $50,000,000 and $100,000,000, none of which goes to the National Treasury, but into the pockets of corrupt officials involved in the traffic. Dr. Wu would have the government take control of the traffic, both production and marketing as a means of bringing about gradual suppression. Of the revenue derived, part would be used for administering the monopoly and part for the creation of hospitals for addicts.

Publication of the scheme was reported to have aroused considerable opposition in foreign circles which have been interested in bringing about a suppression of the opium evil. It was alleged that the creation of a government monopoly in China would have the effect of prolonging the evil similar to what has occurred in the various European colonial administrations in the Far East. It was also alleged that certain European interests connected with the League of Nations had been responsible for suggesting the scheme to China as a meansof prolonging the opium monopolies in various colonial dependencies in the Far East.

Baron Shidehara's "Slip of the Tongue" —A Withdrawal

Baron Shidehara, Foreign Minister and Acting Minister of Japan, created a furore on the evening of February 3 when answering interpellations at a meeting of the Budget Committee. Replying to criticisms asserting that the London Naval Treaty of 1930 leaves Japan an insufficient margin of strength to ensure Safety, Baron Shidehara retorted: "The fact that the Treaty is ratified is clear evidence that it will not endanger national defence."

The Seiyukai (Opposition) Party regarded this reply as an attempt to place responsibility on the shoulders of the Emperor. For this reason it accused Baron Shidehara of *lese majeste* and demanded a retraction of his statement, an apology and even the resignation of the whole Cabinet.

An intense atmosphere resulted and Baron Shidehara, as a result of his "slip of the tongue" was threatened with personal violence and for protection engaged six expert jujitsu men as a body-guard.

The Seiyukai for several days used the incident to inaugurate a series of obstructive tactics. During the sessions on February 6 and 7 one Seiyukai supporter stabbed with a dagger one of the Minseito supporters. This happened in a melee wherein inkpots and spittoons were freely hurled about by members of both parties and their supporters. During the uproar also one Seiyukai member engaged a Minseito member in fisticuffs.

The following day Baron Shidehara personally withdrew his explanations as a "slip of the tongue", and comparative quiet ensued.

Death Occurs of Sun Pao-chi

The death occurred in Shanghai last week of Sun Pao-chi, a diplomat of the old school. Deceased was at one time Minister to France and Germany and twice Premier and Minister of Foreign Affairs. He is survived by six sons and 16 daughters. His second son, Sun Yung-tcheng, is Chinese Consul in Hamburg, Germany.

Deceased was 64 years of age, a native of Hangchow, Chekiang. He was appointed associate director-general of the Tientsin-Pukow Railway in 1908. The following year he was made Governor of Shantung, serving in this post until he retired from official life in 1911, when the Revolution broke out in Wuchang.

In 1912, after the Republic had been established, Mr. Sun was made Director-General of the Customs Revenue Administration, which post he retained until 1923. In 1913, he was appointed Minister of Foreign Affairs and acting Premier and, in 1916, he took up the post of Minister of Finance.

Mr. Sun was again appointed Premier in 1923 and he held the post for a year until he was appointed first Chinese Ambassador to the Union of Soviet Socialist Republics However, he refused to proceed to Moscow, so he was appointed first Tupan for the Municipality of Greater Shanghai, which post he also declined.

Deceased retired in 1926 from active public life and in 1927 he came to Shanghai where he has since been living quietly. For a number of years, he was president of the Han Yeh Ping Iron & Coal Co. and a director of the China Merchants S. N. Co.

New Representative of R. C. A. Arrives in Shanghai

George Street, acting commercial representative of the Radio Corporation of America and of the Radio Corporation of the Philippines, has arrived in Shanghai and will assume charge of the local offices during the absence of George E. Shecklen on leave. Mr. Shecklen is planning to depart for his home in San Francisco early in April. Mr. Street was previously connected with the Seattle office of the Radio Corporation of America. Prior to coming to Shanghai Mr. Street visited in Manila where he conferred with Col. Nance, Far Eastern representative who has charge of the service in the Philippines.

Mahatma Gandhi Says Repression Continues

The London *News-Chronicle* published a cable from Mahatma Gandhi, wiring from Allahabad February 6, in which he declared:—

"I am unable to pronounce a final opinion on the Round Table Conference, but what worries me is the look of things here. If the Conference really offered freedom to India, the reaction would have been felt here. On the contrary, I find black repression continues unabated. Unprovoked assaults on innocent citizens still continue. Respectable people are being summarily, without any apparent reason, deprived of their immovable and movable property by mere executive action. Processions of women were forcibly dispersed. They were seized by the hair and kicked with boots. The continuance of such repression would make Congress cooperation impossible, even if the other difficulties were got over."

A statement signed by 26 Indian states and by British India delegates to the recent Round Table Conference on their return to Bombay Feb. 6 stated that Sir Tej Sapru, Mr. Jayakar, and Srinivasa Sastri would see Gandhi as early as possible in the hope that the Congress leaders and others will make a solid contribution towards the completion of the present skeleton scheme for a constitution for India.

Gandhi shortly after his release wrote a letter to Viceroy Irwin, urging an official inquiry into certain instances of alleged Police excesses, which he calls "test cases." Gandhi says that if the Viceroy will agree to have an inquiry held Gandhi will interpret the action as a genuine peace gesture and will take steps to persuade the Indian Congress to take advantage of the offer made by Ramsay MacDonald in his speech closing the recent Round Table Conference in London.

In his speech Mr. MacDonald said the Government would consider no delay in the plan by which co-operation between the Government and the Indian delegates might be continued so that the results of their completed work might be seen in a new Indian constitution. He added that if in the meantime there was any response to the Viceroy's appeal to those engaged in the civil disobedience campaign and if they and others wished to co-operate on the general lines of the Government declaration made at the closing meeting of the conference, steps would be taken to enlist their services.

Sentenced to Death for Killing British Woman

A Sikh named Sajjan Singh was sentenced to death at Lahore February 7 for the murder of Mrs. Curtis, the wife of a Captain in the Indian Army Service Corps. On January 14 last this man, yelling "I am a Congress wallah" rushed into Captain Curtis's bungalow and struck Mrs. Curtis with a sword, severing her arm. He then broke her right wrist and knocked her unconscious. The murderer had been released from jail only a short time previously; he had been serving six months' imprisonment for Congress activities.

Indian Independence Day Celebrated by Tokyo Indians

The first anniversary of the Declaration of Independece by the Indian National Congress was celebrated by the Indian residents in Tokyo Jannary 26, at Shinjuku Nakamuraya. There were present about 13 Indians representing various walks of life, medicine, politics, journalists and artists. The hall, which was decorated with National tri-colored flags everywhere, presented a picturesque scene. The ceremonies opened and closed with the singing of the Indian National song.

Hindus in Shanghai Say Prayers for Dead Leader

The Hindu community of Shanghai expressed their sorrow over the death of Pundit Motilal Mehru at Lucknow in a telegram sent end of last week to relatives of the deceased Indian leader at Allahabad. Prayers for the deceased were said at the Hindu Temple, 36 Nanking Road.

Japan and America Settle Fishery Dispute

A recent report by the Japanese *Rengo* service stated that the United States and Japan had reached an informal understanding regarding a long-standing dispute regarding fisheries in the North Pacific. Under the agreement the two countries will in future cooperate in fishery enterprises, particularly in respect to salmon fisheries in the Bristol Bay area.

IN THE AMERICAN CONSULAR COURT
FOR THE DISTRICT OF SHANGHAI, CHINA

In re Estate of NELSON HUGO EWING Deceased	Cause No. Estate No. 119 NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of NELSON HUGO EWING, deceased, to present the same with vouchers to the undersigned on or before August 14, 1931, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CORNELL S. FRANKLIN,
c/o Fleming, Franklin & Allman
21 Yuen Ming Yuen Road, Shanghai

Shanghai, China.
February 14, 1931.

SOMETHING WORTH KNOWING

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A high ideal, perhaps, but with the cooperation of Shanghai's trading organizations and residents, one which we are confident will be reached...

SHANGHAI TELEPHONE COMPANY

55-479

Korea's Fight for Independence

(By the Review's Correspondent)

FOR something like ten years there has been an oppressive sense of a coming storm in the Far East. Thunder has rolled and muttered and died away on the plains of Siberia; black clouds have also gathered over China, Manchuria and India. And ever in the intervals of sullen quiet can be heard as if borne on the wings of the wind, a low moan from the dwellers in the ancient Hermit Kingdom of Chosen, or Korea.

Having recently returned from a trip to Korea I was brought into close contact with the great problem which those seventeen million unhappy people are facing. A busy Western world thought the Korean problem for ever settled when Japan annexed the country about twenty years ago In those days Japan was held to be the key of Asia. Statesmen and politicians held the view that an eastern race would understand an eastern race. The Koreans had just bestirred themselves from their sleep of Middle Ages. Unlike Japan, stretched to guide her in the ways of a new and strange civilization, Korea was aroused by the sound of clashing arms, the cry of a murdered queen, the tramp of armed men, and discovered herself helpless before a military equipment that transcended her own by half a century of material progress.

Why is Korea unhappy? The seventeen millions reply: "The Japanese do not understand us!"

One has not to remain long in the country to realise the fundamental truth that the Japanese do not understand the Koreans. Ask any Japanese in Korea; ask the chance Japanese official in Japan, what he thinks of the Korean character, and he will say: "The Korean is weak!

Japanese officialdom holds, as militarists of all nations have always held, that "real power" means "might." The Korean. who appears to the Japanese to be a feeble fellow, has grasped the fact that unity of mind in a nation is "real power". The usual outstanding difference between the Japanese and the Korean seems to be that the Japanese has a literal and the Korean a metaphysical mind.

A lad of fourteen, who was under arrest in Seoul whilst I was there, was asked by the officials, "Who put you up to this?" (He had been accused of being a revolutionary). Pointing to the Chief of Police he answered boldly, "There is the man who made me do it!" The Japanese merely thought that the boy was crazy.

Koreans Have Moral Courage

Moral courage is in essence spiritual understanding. How comes it that the Korean has this great quality of moral courage? If the Korean was so recently what we of the West have termed a heathen, whence comes his spiritual understanding?

In Korea the scholar, irrespective of rank or possessions, has always been honored. The ideal Korean has been the gentleman of leisure who devotes his days to the pursuit of learning, preferably to the study of the Chinese classics. Confucian scholarship has been the pride and delight of the Korean nobility, whilst Buddhism used to be the general faith among the masses. It is to Korea, as everyone knows, that old Japan owed the civilizing influences of religion, philosophy and art.

If Japan has had the same religious culture as Korea, how does it happen that her point of view differs so widely from that of her continental neighbor? There is a deep reason. The Japanese have had no understanding of one God in the sense of an unseen central creative power. The Koreans have alway worshipped Haninim, a name which covers the idea of one supreme mind-one God. This God of the Koreans is similar to the God of the Jewish Old Testament. It is perfectly true that the Korean has often more fear of the many devils in which he believes than he has faith in a great power for goodness but he does understand the idea of a supreme spiritual deity.

Now in the case of anyone who has faith in an unseen power for good, bodily harm and death are robbed of much of their terror. That man, on the other hand, who. like the Japanese, is satisfied to invest a human personal sovereign with deific power, limits his vision to a national sense, and confuses material with spiritual strength. For him patriotism becomes a religion.

No one will deny that this conviction produces an excellent soldier and a docile citizen, but patriotism. as Edith Cavell said in her last hour, is not everything. But the Japanese militarist quite sincerely believes that it is an excellent thing for a Korean to become Japanized even against his will. He thinks and says that the Korean is sharing in the glories of a great army and a great navy—in a word, getting a share in "real power" as a subject nation of Japan.

The Korean, on the other hand, passionately wants to stay Korean. He denies that either in physique or mentality he has any kinship with Japan. He clings despairingly to his own history, his own language, and, bred in the ideals of the scholar, he despises the soldier. His answer to the booming of guns and the glistening of steel bayonets is to wave a Korean flag whenever the opportunity arises. Even little boys and girls in the streets have said when attacked by police and soldiers: "You may kill my body, but you will never kill the spirit that makes me shout 'Mansei'!"

Minor insurrections have been taking place almost every day in recent years but the outside world hears very little about them owing to the rigid censorship imposed by Japanese officialdom. The Koreans are so brave that the Japanese do not understand it. As a missionary told me in Pyeng-Yang, the Koreans are the only people on earth who are realy 'meek' in the scriptural sense. The Japanese think their meekness is cowardice, whereas it is moral strength.

The roll of Korean deeds of courage and endurance in the stormy days after the World War is as great as anything that survives in the chronicles of the Covenanters of Scotland, the Huguenots of France, the Waldensians of Switzerland, and let us add one other, the Japanese who suffered during the time of the persecution of the Roman Catholics in the seventeenth century. Korea may challenge the whole history of mankind to show anything transcending the tale of the passive resistance movement of 1919. The memory of such heroism handed on from generation to generation is the breath of life in recreating the national spirit of a people.

Hatred makes an unjust judge, and Korean hatred of Japan has a tradition of three hundred years of aggression behind it. The Korean has been forced into a position of having to study the Japanese character. Only by turning psychologist can he hope to save his own skin and avoid the thousand pitfalls that are ready to betray him to an ever-yawning prison. Even a stranger may pick out from those gangs of laborers, clad in sackcloth of old Venetian red with Fiji-shaped rush hats, who are to be seen daily in the environs of Seoul, road-making, brick-making, navvying, some men with noble features and distinguished bearing. Who may say what heart-searing lessons the Korean adds to his forced apprenticeship in manual labor? The grim little man in dark blue uniform with gleaming scabbard, who in stature rarely reaches to his prisoner's shoulder, is keeper of the Korean body. Korea's soul lives in a far chamber—serene, untouched.

Japan's Lack of Spirituality

One of the groups of young men who drew their strength from their belief that the "sentiment of the new world is behind us," and whom the Japanese describe as "revolutionary," gave me his impression of the Japanese in Korea with a meloncholy finality that made his words impressive. He said—and I put his words down in my note-book without any remarks of my own: "The more I study the Japanese, and we Koreans are always studying to try to understand their minds, the more I despair of any change in them unless they go back all over the beginning. They have begun their modern life on a material basis. The object of our movement for independence is to abolish the bad in this government without injury to anybody. We want to help Japan as well as Korea. I see no way out for Japan. Her success is her difficulty. The case of the Japanese is almost hopeless on the spiritual side. A change for modern Japan must be pounded into their heads by some gigantic force. As to these Japanese in Korea, they are a hopeless people. For myself, I would like to see a better Japan than that at present revealed to us; a better Japan would benefit Korea also. We Koreans know that with the Japanese it is country first of all. Morality, conscience, humanity, frank statement, everything is sacrificed for their country. Even their sailors scarcely had contact with the outside world as Japan's history shows. Many years ago Japan was not a progressive country, but a few of them went to Europe and America to learn, and when they returned to their native shores they said, "What can we do for our country?" That was good but the defect lay in this, that they saw only material good and when they began to build their modern country they built entirely upon a modern foundation. When you converse with a Japanese, for a time the conversation runs smothly. Then a question of principle comes up and immediately the Japanese says something so strange that you look at him and say, "Here is an altogether strange man; his honor, sentiment, all that is real, is under government control."

Wherever I went Korean children seemed to be without fear. Now and again it was a common sight to see little children parading with their tiny Korean flags in order to irritate the Japanese policemen. The officers could not arrest infants! Even the small boys joined in the movement, crying "Mansei".

The Japanese appear to have no knowledge of what is behind the minds of the Koreans, and they lack political sense. In this the Koreans are richer than their rulers. The Koreans undoubtedly see through Japanese pretence and realize that the material advantages brought to Korea are to benefit Japan. Even their Japanese judges are surprised at the political understanding of the Korean.

Japanese administrators have stated over and over again that the Koreans must be assimilated or they must cease to exist. However, they have failed to read history. Are the Japanese so foolish as to think that they can assimilate seventeen millions of unwilling people. It is for this that the Japanese have established a wonderful spy system. For the Koreans to live in an environment of continual espionage paralyzes effort.

I should like to remind those who talk of Japanese militarism, that Japan has always been military. The outrageous deeds of Japanese militarists in Korea and elsewhere are death throes. These tyrants know in some dim way that their days are numbered and they have lost their nerve. The Japanese will do more rash and wicked acts before they are made to submit. The hope for Korea lies in that other Japan whose people are as sick of the militarists as are the Koreans. Even in Japan brave men suffer from spies.

There is an enlightened Japan in the universities and in the schools. These people have been aroused and have expressed their indignation at the Korean outrages. Again and again unrest rises in little waves like summer shocks that precede a big earthquake. Labor has never been more vocal. Japan is at heart a great democracy. Korea needs all her patience, but the day of her deliverance is nearer than she knows.

Overseas Reform Needed

Will that colonial power that is without sin step out and throw the first stone at Japan? Is England, or France, or America cleansed from all greed and covetousness? The binding on men's shoulders of burdens too heavy to be borne is not done in Japan alone. The need for overseas reform is not easily brought home to older colonizing nations. Everyone who seeks aid, not only for Korea but for Japan herself, values publicity for the present state of things. By this publicity, progressive and enlightened Japanese are helped to freedom in their own country.

As in other lands, the race conscience of Japan is in the keeping of the women. In Kobe a Japanese women said to me, (she had never been to Korea before), 'My heart has been telling me that all is not well in Korea. I knew that our press was lying, but I had been hoping that the foreign papers were exaggerating. I want to know the truth."

And what of Korean women? They have need of all their marvelous physical, moral and spiritual courage in the fight that they have begun. No physical humiliation or personal indignity has been spared the Korean girl patriots at the hands of a police largely recruited from the lowest class in Japan. A young girl—and fourteen seems the age of courage—speaking of a group of fellow students who had just emerged from several days' detention in the Seoul police station, said, "They did not look like persons."

A couple of months' visitor to Japan like myself cannot hope to tell Korea's story. Her young men and women have eloquence to plead their own cause. It is natural to feel sympathy for the opressed. But it is well to remember that it is with a nation as with an individual—character determines destiny. Conditions not so dissimilar from those that drew the Saxons and the Danes to Britain brought the Japanese to Korea; but it is not for geographical or economic reasons alone that Japan is today master of the Korean peninsula. Somewhere in the Korean character there has been a lack of quality. Somewhere in her history she has cared too much for ease of of body. No discipline could be easily devised for Korea better than contact with the abounding energy and ambition of the restless Japanese. One has only to return to Japan after a stay in Korea in order to feel a constant uprising of admiration for the tireless industry, the order and neatness, that delight in the esthetics of life inseparable from every phase of Japanese national expression.

There seems in a sense, too, an inevitability that a people so pushing, so clever, so practical should want to pinch and spur those who, in their eyes, seem only supine, unbathed. The Japanese so far have only been able to see the external Korean. The problem for the Western stranger is how to be even approximately just to both races, for it does seem as if a fusion of the two natures, Japanese and Korean, might produce a wonderful unit.

Kobe, Japan Feb. 5, 1931.

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In the Fields of Finance and Reconstruction

Shantung Cities to be Linked by Long-Distance Phones

The provincial reconstruction bureau of Shantung province has notified Nanking of the beginning of construction on six new long-distance telephone lines to connect Taian with Chowtsun, Tsaochow, and Chengwu; Lintze with Paoshing; Titsu with Linkao; Tsining with Ssushui and Yenchow with Tenghsien The new installation will cost $80,000.

Bank of China To Open Branch in Osaka, Japan

The Japanese Government on Feb. 2 granted permission to the Bank of China, with head office in Shanghai, to open a branch in Osaka. The purpose of the branch is to facilitate Chinese trading operations between China and Japan. The Bank of China several months ago transferred its privilege to issue notes to the Central Bank and in future will confine its operations to commercial transactions.

League Expert To Advise on Inland Waterways and Land Reclamation

According to a *Kuomin* report from Nanking on Feb. 6, the Ministry of Foreign Affairs has received word from Geneva that Robert Haas, director of the Transit and Communications Bureau of the League of Nations had departed from Geneva on Feb 4 for China. Mr. Haas is being invited to China to assist the Government in connection with inland water-ways and land reclamation.

Work Started on National Stadium at Nanking

A report from Nanking on Feb. 6 stated that work had started on the new national stadium which is to be used for the National Athletic Meet to be held in the Capital next October. The total cost of the structure will be $1,080,000. The stadium will be located near the Sun Yat-sen Mausoleum and will include grounds for various sports and will have a seating capacity of 30,000. It will occupy about 100 acres and will include a number of new roads which are also to be constructed.

Sino-Japanese Traffic Conference at Nanking on March 27

The Ministry of Railways announced on Feb. 3 that a Sino-Japanese Through Traffic Conference would be convened at Nanking on March 27, the purpose being to arrange for interchange of traffic over the Chinese lines and the Japanese lines in Manchuria. The Ministry has notified the various Chinese railway administrations of the Conference asking them to send delegates, and prepare proposals for discussion.

China Would Close Foreign Radio Services

The international Telegraph Administraion of the Ministry of Communications is planning to force a discontinuance of foreign radio services on Chinese territory, according to a report in the Chinese newspapers last week. It was stated that negotiations have been started to close the radio station maintained by the French Concession at Shanghai and also to prevent certain foreign news services in Shanghai from receiving news transmitted by naval wireless. The Ministry plans to close all radio stations which are not controlled by the National Government.

More Exhibitions to Promote Native Industries

The Ministry of Industries has announced a number of exhibitions to be held during the current year for the purpose of promoting the manufacture and consumption of Chinese-manufactured porducts. The following exhibitions of native products were announced.

1. A porcelain exhibition. The various porcelain producing centers in the country will be inspected and a selection of the best porcelain chosen for exhibition at the Capital.
2. Exhibition in each province of the products for which the province is specially famous.
3. Exhibition of domestic appliances.
4. Exhibition of apparatus and material used for educational purposes.

More Proposals for Manchurian Immigration

A *Kuomin* report from Nanking on Jan. 26 stated that a telegram from Vice-Commander-in-Chief Chang Hsueh-liang to the Central Government, recommends that 200,000 persons from among the refugees of Honan, Shensi, Kansu, Ninghsia and Suiyuan and the disbanded officers and soldiers in these province, be dispatched to Manchuria for colonization and reclamation work. According to a proposal submitted by him during his recent visit to the capital, the migration of a part of the refugees in different parts of the country will help towards the partial solution of the unemployment question. Expenses for the carrying out of this scheme are estimated at $10,000,000.

Extensive Dredging in Yangtsze Estuary Being Planned

Dr. Herbert Chatley, engineer in chief of the Whangpoo Conservancy Board, in a recent interview given to the *N. C. D. News* stated that an extensive scheme of dredging the "Fairy Flats" in the Yangtsze River is being undertaken by the Chinese Government, but actual work will not commence until the end of 1932.

The program in view, Dr. Chatley said, was for five years actual working on the bar, the Inspector-General of Customs having already authorized the collection of the conservancy tax as from April 1 on the basis of the actual import duties, instead of, as at present, on the basis of the five per cent *ad valorem* duties. At present, three per cent on the five per cent *ad valorem* duties was being collected but in future this would be collected on the basis of the actual import dues. The conservancy tax would be payable by traders. A drag suction type of dredger is to be used.

New Chamber of Commerce Regulations at Canton

The commercial organs of Canton have formed a "Direction Commission" to decide on regulations govering the organization of a new Chamber of Commerce in that city which is to be formally inaugurated February 25. Altogether, 12 rules and 69 articles have been drafted, revised and passed, among them being the following:

In case of a shop having declared bankruptcy, the member concerned is to be expelled from the Chamber; seven members of a Supervisory Committee and 15 of the Central Executive Committee are to be eleeted. A Chairman from five standing committees is to be elected from the Central Executive Committee; members are to subscribe a reserve fund ranging from $300 to $3,000 according to the capital of the shop; subscriptions may be raised to deal with special matters when passed by the general meeting and approved by the local authorities.

Japan Claims Favorable Balance in Her China Trade

The Japanese Finance Office, according to a *Rengo* dispatch from Tokyo, dated Feb. 6, published figures of Japan's trade with China for January, 1931 showing a balance in Japan's favor of Yen 5,985,000. The complete figures were as follows.

Export to:	
Manchuria	Y620,000
North China	4,017,000
Central China	8,647,000
South China	394,000
Kuantungchow	4,134,000
Hongkong	2,640,000
Total	20,452,000
Import from:	
Manchuria	Y999,000
North China	4,670,000
Central China	2,519,000
South China	813,000
Kuantungchow	5,419,000
Hongkong	46,000
Total	14,466,000
Favorable Balance	5,986,000

Need for Banking Regulations in Foreign Settlements

Owing to the suspension of two Chinese banking houses in the Shanghai foreign settlements, Chinese organizations

have made strong representations to the Ministry of Industry for the drafting and enforcement of banking regulations to prevent further complications. The banks that were closed were the Day and Night Bank and the Savings Department of the Great World Amusement Resort, both of which suspended immediately following the death of the proprietor, Wang Chu-chow. The Bureau of Social Affairs of the Municipality of Greater Shanghai immediately ordered that steps be taken to prevent loss to depositors, but due to lack of authority in the foreign area, nothing has been done. It was stated that neither of the banks had been registered with the Ministry of Finance and that neither of the banks enjoyed status under the Limited Liability Law. The Ministry instructed that steps be taken to prevent the functioning of such institutions and that all Chinese banks be required to register in accordance with the law. It was claimed that the Night and Day bank which had deposits of more than $300,000 had less than $1,000 in the safe upon suspension.

Japanese Cotton Mills Preparing for British Competition

That Japanese cotton mills in the Shanghai district are making active preparations for expected competition of British cotton manufacturing interests likely to result from the recent visit of the British Economic Mission to China, was indicated in a front page article which appeared in the *Shanghai Times* on Feb. 5. The report stated that four of the biggest Japanese cotton mills in Shanghai have under construction at the present time additional facilities to house automatic weaving machines and more spindles. At the present time, only one of the Nipponese cotton mills, the Toyoda Cotton Mill, is carrying on operations with automatic weaving machines, but within six weeks, two more mills will commence using the automatic machines.

The policy of the Japanese to increase the output from their local mills, and to manufacture a finer brand of cloth is aimed principally, according to the general manager of one of the local mills "to protect their present market," owing to the increased tariff. The slump in silver, he explained would lend itself to Japanese millowners in Shanghai being better able to compete against other foreign cloth, due to the lower cost of production. The installation of the automatic weaving machines and the increase in spindles, he continued, would result in thousands of more workers being engaged.

Installation of 1,000 automatic weaving machines is now being carried out in the nine mills of the Naigai Wata Kaisha, the largest of the Japanese cotton spinning plants in Shanghai. This concern, which employs approximately 18,000 hands, also plans the installation of 1,000 additional machines in the near future.

Seven hundred and fifty of the machines are now being installed in the five mills of the Shanghai Cotton Manufacturing Co., Ld. This concern employs about 10,000 men and women and plans are now being made to increase this number as soon as the machines are ready for use.

During the latter part of last year, the Yu-fong Cotton Spinning Co., Ltd., installed 30,000 additional spindles and is now engaged in placing in their mills another 30,000. Twenty thousand spindles will soon be put into the mills of the Dah-Kong Cotton Spinning Co., Ltd. and it is understood that these two concerns are also prepaing for the installation of automatic weaving equipment.

Local Japanese mills, a representative of *The Shangai Times* was told recently by an official of one of the biggest mills here, will not attempt to encroach on the market of firms manufacturing and selling the finest counts in China. Arrangements had only been made to manufacture a cloth considerably finer than the quality at present being marketed by these mills, and which, with lower cost of production and the tariff wall, will enable them to meet keen competition.

Britain Interested in China Aviation Development

A report by *Reuter* from London on Feb. 4 stated that the attention of the British Government had been called to the scheduled inauguration of a Sino-German air-mail and passenger service on March 1, and also to the fact that the United States Government had decided to send an air expert to China who will be attached to the office of the U. S. Commercial Attache at Shanghai. Frederick Montague, Under-Secretary for Air in the British Government stated that any proposals which the Government might receive

(*Continued on page 406*)

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Who's Who in China

Lu Ti-ping, Chairman of Kiangsi Provincial Government; born at Ningshiang, Hunan, 1883; was graduated from a military academy in Hunan; after graduation, he served in the Imperial Ching Army, but inspired by the revolutionary ideas, participated in the 1911 Revolution at Wuchang on the side of the Republican Forces, thereby contributing towards the overthrow of the Manchu Dynasty; after establishment of the Republic, he was appointed a battalion commander, but resigned from the post in 1913; became a member of the Kuomintang, 1915; appointed commander of 6th regiment of Hunan Army by the late Tan Yen-kai, then Military Governor of Hunan in 1916, stationed at Chang-teh and devoted himself to the training of troops; fought against the Northern militarists in Hunan; promoted commander of the 3rd brigade of Hunan Army and in this capacity, succeeded in driving away from Hunan the Northern militarist Chang Ching-yao, 1920; for this service, he was promoted commander of the 2nd division, stationed at Yochow; appointed commander of the second relief army to Hupeh and fought against Wu Pei-fu but suffered defeat at Wu's hands, 1921; when the late Gen. Tan Yen-kai was appointed by Generalissimo Sun Yat-sen Commander-in-Chief of the Hunan Army of the Anti-Rebel Army, he was made commander of the 2nd army of the Hunan Army and concurrently field-director of the Hunan Army, fighting against Chao Heng-ti, then Governor of Hunan and henchman of Wu Pei-fu, 1923; when Chen Chiung-ming revolted against Dr. Sun Yat-sen, his troops were ordered to be transferred to Kwangtung to suppress Chen's revolt and succeeded in defeating the rebels; transferred to the East River region in 1924 and fought many bloody battles with Chen's remnants; again transferred to Hunan and was appointed commander of 2nd army of the Hunan Army, 1925; when the Northern Punitive Expedition was launched in 1926, he was appointed acting commander of the 2nd Revolutionary Army and concurrently field-director of the left wing of the Army, leading his armies from Kwangtung to Hunan, Kiangsi, Fukien, Chekiang, Kiangsu and Anhwei successively; transferred to Hupeh to suppress the remnant militarists and was substantiated Commander of the 2nd Revolutionary Army; appointed member of the Wuhan Division of the Central Political Council and concurrently Chairman of the Hunan Provincial Government, which latter post he held for nine months; when the Kwangsi Faction revolted against National Government, he was appointed commander of the 5th Anti-Rebel Army to suppress the rebellion; shortly after, he was elected a reserve member of the Central Executive Committee of the Kuomintang; Garrison Commander of Wuhan 1929; Chairman of Kiangsi Provincial Government, Since Sept. 1929 and concurrently field-commander of the 9th Route Army of the Anti-Rebel Forces since May, 1930; address: Kiangsi Provincial Government, Nanchang, Kiangsi.

Lu Ti-ping

魯滌平字詠安

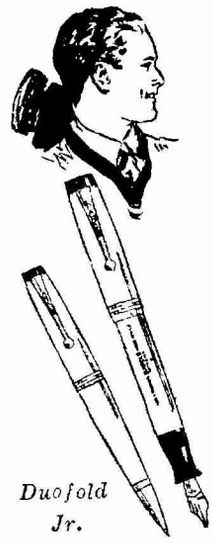
Chao I-tang; government official; born at Wukung, Shensi, 1875; was graduated from the law department of the Peking National Institute; joined the Tungmenghui two years before the establishment of the Republic and engaged in revolutionary work in Shensi with the Northwestern revolutionary leaders; responded to the revolutionary call to arms in Sian, (capital of Shensi) during the 1911 Revolution at Wuchang and upon establishment of the Republic, was elected member of the Shensi provincial Assembly and concurrently director of general affairs in the Headquarters of Tutuh of Shensi 1912; elected member of the first Parliament at Peking, 1913; when Yuan Shih-kai launched his Imperial Movement, he left Peking for Shensi and there organised an expeditionary army against Yuan; upon failure of his plan, he escaped to Shanghai and when the Parliament was reconvocked after Yuan's death, he together with others was commissioned by the Kuomintang to Peking to supervise the Peking Government; when the Parliament was for the second time illegally dissolved, he went to Canton and there sat on the Extraordinary Parliament which elected Dr. Sun Yat-sen Generalissimo and organised the Constitutional Defense Force; while in Canton, he was appointed councillor of the Headquarters of the Generalissimo and later appointed special military commissioner to Shensi and Honan to plan with the military leaders there on the revolution in Central China; later, he came to Tientsin and organised the Military Committee to plan military activities in the North; after the final defeat of 2nd Kuominchun Army, he was appointed by Gen Chiang Kai-shek Pacification Commissioner to the Army; elected a reserve member of the Central Executive Committee of Kuomintang, 1927; he is now member of the Legislative Yuan and concurrently chairman of the Law Codification Commission of the same Yuan, member of the examination commission of the Examination Yuan and member of the National Opium Suppression Commission of the National Government, 1930; address: Legislative Yuan, Nanking.

Chao I-tang

趙易堂字希孟

Aged Salt Merchants Held in Prison at Nanking Without Trial

A *UnitedPress* dispatch fromPeipingJanuary 31 stated that the recent death of a wealthy Tientsin salt merchant, held in prison at Nanking, has stirred all of North China into protest against the treatment of a group of these elderly salt dealers who have been held without trial in the national capital for the past two years on a charge of having been implicated in a tax scandal 30 years ago. The sons of the men under arrest allege that their fathers are being held merely for the purpose of extorting money from them. That this should happen under the Nanking regime is considered a national disgrace by public-spirited citizens in North China who are making every effort to obtain the release of the salt merchants. The formal charge against the four men who are still in prison is that they are suspected of malpractice in connection with a salt surtax which was levied as part of a "national salvation fund" in 1900. All the documents relative to the affair have long since been destroyed and the men now under arrest were all junior officials at the time, acting under orders of their superiors who were then in the employ of the Manchu dynasty. Dr. Wang Chung-hui, head of the government Judicial Yuan, denies that the five salt merchants were arrested for personal revenge or blackmail, as alleged by their friends, but admits that no proof of guilt has been found against them. The reason they have not been released, he explains, is that "owing to the anti-rebel military movement the members of the committee have left their offices and so delayed pronouncing final judgment."



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Bankruptcy of China's College Education

To the Editor, The China Weekly Review:

What a sad phase it is in China today that her college education is not enlightened—almost bankrupted, instead of registering improvement! Chinese citizens should never ignore this great confusion in the educational field, but should, with their utmost zeal try to solve this burdensome and heavy problem confronting China, because a college is the highest academy in which to cultivate learned scholars, and a college education directed in the right path, is a great aid in the development of a nation.

None should be silent about the deficiencies of China. Since Chinese scholars were set free from deadly reading and committing to memory the Chinese classics so as to get high honors, and instead adopted the western style of chosing to learn what they liked best, they did not delay in catching up with Western countries.

Furthermore, through the democratic spirit penetrating every one's brain, the scholars began to realize the real purpose and the true meaning of education,—which is to improve and re-build life. On the basis of these two elements, education is high and noble, (not paltry and mean), the object being to make the mind and the body sound and to have them work in mutual agreement.

Should education be applied in this way it would be within our expectation to see it developed and become enlightened.

But what is the situation in China? Generally speaking, in former years the students' strikes and the teachers' break-ups often occurred in the high school; but in recent years, since the Nationalist Government was established in Nanking, the wind has turned more unfavorably so that is it has spoiled the colleges. The reasons why college education in China has become bankrupted may be stated as follow:

Private colleges established for business.—As national reconstruction has been delayed by the incessant civil wars, the literate youths have found the living problem so hard that some of them have established private schools. Returned students have been no exception to this Many of them feel greatly disappointed that they cannot find jobs in which to apply the knowledge they have acquired. Some with weak intelligence directly commit suicide. Others of strong intelligence establish a college, so that they need not suffer the pain of unemployment. A few of the private colleges in China have been established by such returned students who have little funds, but resort to this method of earning a living. As it is a good business proposition to open a college, there are many colleges established by the returned students. They often struggle with one another to seize the administrative power of the college so as to strengthen their own clique and to eliminate the other. The result is to be seen in the breaking up of the faculty.

Politicians occupy the colleges for propaganda.—The politicans, though driven out from the political stage, never feel disappointed; on the contrary, they secretly strive to extend their privileges. Taking such a point of view they are willing to establish news agencies and colleges, especially the latter, with which they not only hope to make their living but also to educate the youths to be their followers and thus strengthen their influence.

Struggle between the Kuomintangists and Communists.—As time rolls on,society is being isolated by the ambitious communists. Under the name of crushing Imperialism and Capitalism they go to the villages, cities, towns and factories to arouse the farmers and laborers, and call them to plunder the rich and the high, to burn houses and spoil the reconstructive works, so much so that social peace and security have been entirely broken up. They even go to the schools to unite the students to rise against the government. But the students who believe in communism are extremists with sharp tongues able to debate with others on the basis of equality and freedom so that none can get the upper hand. But after all, the Kuomintangists can hardly bear to see them disturb the colleges when they discover the Communists' conspiracy, so they try to prohibit their activities.

P. T. CHANG.

Hangchow, January 15, 1931.

Men and Events

Shanghai's water supply has recently had a salty taste, owing to the confluence of high tides and low water in the river.

J. V. Crowe, general manager of the Ford Motor Company, returned to Shanghai recently from a business trip to the South.

Mrs. Mark Hanna, wife of the representative of the Paramount Picture Corporation, has returned to Shanghai from a trip to Manila.

The annual meeting of the Shanghai American Chamber of Commerce will be held at the American Club, Friday, Feb. 27 at 5.30 p. m.

A. R. J. Hearne, of the Tientsin-Pukow railway, has retired from service in China. He departed from Shanghai for England, via Canada and the United States, end of last week.

Rear Admiral Shiozawa, Commander of the Japanese squadron in China waters, recently made a tour of the Upper Yangtsze region in the warship *Katada*.

A tiffin party was given at the Cathay Hotel last week to B. Suenson, of the Great Northern Telegraph Company, on the occasion of his leaving for his home to Denmark.

The members of the agricultural committee of the U. S. House of Representatives Feb. 3 voted to approve a proposal to impose a special tax, indirectly, on palm oil and soya beans.

Herbert F. Powell, former managing editor of *The Aviation News*, New York, who recently visited in Shanghai, departed this week for South China and Manila on a trip around the world.

A south-bound freight train of the Chinese Eastern Railway was derailed near the Shihtow-Chengtze Station, about 65 miles to the south of Harbin, January 27. Traffic was held up for 12 hours.

The death occurred at Hankow Feb. 8 of Lieutenant Commander Clarence E. Garcia, dental officer of the United States Yangtsze River Patrol, attached to the U. S. S. *Palos*. Death was due to smallpox.

Telegraphic communication between Hsuchow, Kaifeng and Chengchow on the eastern section of the Lung-Hai railway was suspended seneral days this week on account of a snowstorm which raged over eastern Honan.

George C. Butte, the newly appointed vice-Governor of the Philippines passed through Shanghai end of last week. He was entertained at a tiffin by the Pan-Pacific Association on Friday February 6, at the Cathay Hotel.

Thomas F. Millard, well known writer and correspondent, who is now adviser to the National Government, returned to Shanghai Feb. 10 on the s. s. *President Grant*. Mr. Millard has been in Washington, New York and Geneva.

Dr. J. Heng Liu, Director of the Health Bureau of the Ministry of Interior, has dispatched two deputies to Hangchow to investigate the extent of the outbreak of meningitis in that region; also to formulate preventive measures.

The Chinese Government is making efforts to encourage the emigration of people from the crowded Yangtsze valley to the far-off regions in the North-East and North-West, according to a recent statement by Dr. H. H. Kung, Minister of Industry.

The Philippines health service during the year of 1930 administered 12,699,918 injections and inoculations against cholera, dysentery, typhoid and other diseases. Less than 10 per cent. of these were in Manila, the remainder being performed in the provinces.

Utro (Morning) is the name of a new Russian daily newspaper which is shortly to be started in Tientsin. The paper will be published mostly in the interests of the large Russian Jewish refugee colony in Tientsin. The publisher will be S. M. Bihovsky.

Prof. Josef Schumpeter of Bonn (German) University and one of the leading economists of Europe, arrived recently in Japan and is later also coming to China. He lectured before the Imperial University of Tokyo and the Commercial University of Kobe.

The Yangtze Rapid Steamship Company's motor vessel *Ichang*, 900 tons gross, hit a submerged obstruction near Tungchow on the morning of February 5. The vessel was beached, temporary repairs made, and later arrived in Shanghai under her own steam.

H. E. Arnhold, head of the firm of Arnhold & Co., formerly member of the Shanghai Municipal Council and prominently connected with dog-racing interests in Shanghai, departed from Shanghai end of last week for England traveling via the U. S. A. and Canada.

Japan, which had one of the best exhibits at the Sesquicentennial in Philadelpha in 1926 is preparing to exhibit on a much larger scale at the Chicago Exposition which is planned to be opened 1933 on the occasion of the centennial celebration of that city.

Douglas Fairbanks, moving picture star, who is enroute to Indo-China on a hunting expedition, was entertained at a tea and reception at the Cathay Hotel, Shanghai February 11, by Mr. and Mrs. E. K. Moy of the *Kuo Min* news agency. Two hundred guests were present.

The British Economic Mission, which recently visited Shanghai and North China, is now making a tour of South China with Hongkong as its headquarters. The members of the Mission were welcomed at Canton Feb. 9 by the governor and other officials at a reception given in their honor.

The first general meeting of the German East Asiatic Society will be held on Tuesday, February 24, at 6 p. m. in the hall of the German School, 1, Great Western Road. E. Krueger, Pastor the German Evangelical Church, will lecture on "Symbolism of Stars in Old China."

The death occurred last week in Shanghai of Russell W. Burton, managing partner of the Hygienic Milk Co., and for many years on the staff of the Shanghai Public Health Department, Municipal Council. The late Mr. Burton was a Canadian and an active Freemason.

C. S. Taylor, vice-president and general manager of the Shanghai Power Co., departed from Shanghai for Japan on a business trip this week accompanied by C. M. Perrin, distribution engineer. Mr. Taylor will meet Mrs. Taylor, who is returning from a trip to England, in Yokohama.

The graduates of Princeton University, resident in Peiping, held a luncheon party at the Western Returned Students' Club recently. Among those present were Messrs. R. R. Gailey, George W. Lyon, J M. Waddell, Lennig Sweet, Lawrence M. Mead, Lloyd A. Free, and T. W. Hu.

Tang Shao-yi, the first Premier of the Republic, was appointed Magistrate of the Chungshan district at a meeting of the Kwangtung Provincial Government Committee February 3. Mr Tang had been staying in Shanghai recently. After a brief visit to Nanking he is scheduled to return to his home in South China shortly.

Dr. Paul Monroe addressed the students of Shanghai College February 3. He emphasized that what is more important than the mere literary aspect of education is to get the content of modern learning, particularly modern science, over into the life of the people. Dr. Monroe was formerly a Trustee of Shanghai College.

The Majestic hotel and ball room will definitely close after March 30, when the last tea dance will be held. The land and buildings on the site of the Majestic Hotel are owned by the Cathay Land Investment Company, who are the owners of the Cathay Hotel. Tentative plans for building another hotel on the Majestic site are under consideration.

Col. Yuan Liang, Commissioner of Public Safety for the City Government of Greater Shanghai, has resigned. He will proceed to Japan, where he will make a study of police administrations in the various cities of Japan on behalf of the National Governments and study municipal administration in that country, on behalf of the Mayor of Greater Shanghai.

The Shanghai Land Investment Co. made a profit last year of approximately Tls. 3,377,000, of which Tls. 2,371,000 were profits made on sales of property. Tls. 3,867,800 is avaliable for distribution. A total dividend of 12 per cent, a bonus of six per cent and a further bonus of 12 per cent is recommened by the directors to be paid to the shareholders.

Mr. Sung, assistant manager of the Shanghai Commercial & Savings Bank, was kidnapped February 1 as he left a friend's house on South Chengtu Road. He was bundled into his own car and, while one bandit pushed the chauffeur to the side, another took the wheel and drove off. The police found the abandoned motor car some hours later on Ward Road.

With the object of checking the operation of foreign (Japanese) fishing boats in Chinese waters and to prevent smuggling, a scheme calling for the establishment of a coast guard so as to enforce observance of China's territorial water limit has been submitted to the Executive Yuan of the Nanking Government by Admiral Chen Shao-kwan, acting minister of the navy.

A Russian named Popanoff, who recently arrived in Tientsin, after having lost his position with the C. E. R. at Harbin, decided to invest his savings in a deal in caviar, which is the roe of a large fish found in the Amur region.

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When his shipment arrived in Shanghai the tins were found to contain mud. Fellow countrymen of his who attended to the shipping are alleged to have caused the substitution.

Admiral Chen Shao-kuan, Vice-Minister of the Navy and concurrently Commander of the 2nd Naval Squadron reports that a number of gunboats have been stationed between Ichang and Nanking on the Yangstze, with the result that outlaw depredations have been greatly reduced. Admiral Chen also reports that construction of the new gunboat *Min Sen* is well under way and is expected to be commissioned for service at the beginning of April.

At a meeting of the the Standing Committee of the C. E. C. at Nanking Feb. 5 a resolution was adopted providing for the appointment of a Board of Directors for Chinan University, the well-known institution for the education of Overseas Chinese youths, situated at Chenju, a few miles from Shanghai. Messrs. Sun Fo, Lin Sen, Chen Li-fu, H. H. Kung, T. V. Soong, Ma Chao-chun, Yu Ching-tang, Wu Te-chen, Cheng Hung-nien, Chen Yao-yuan and Hsiao Fo-cheng were nominated members of the Board.

Legal proceedings are threatened against the National Aviation Corporation as a sequel to the wrecking of one of the company's amphibians in the Whangpoo at Lunghua several months ago, when five persons were killed and two others, including Gen. Hsiung Hsi-hui, the Shanghai and Woosung Gendarmerie Commissioner, were seriously injured. Lawyers representing the family of the late Walter Ven-ling Yin, salesman of Arnhold & Co., Ltd., who was one of the victims in the tragedy, are taking the initiative in the matter.

Dr. and Mrs. Harold Smith and their two children, formerly residents of Tsinan and Tsingtao, who are now in Nashville, Tenn., where Dr. Smith is taking a post-graduate medical course, were the guests during the Christmas holidays of Mrs. Margaret Proctor Smith at her home in Louisville, Ky. Mrs. Harold Smith is a sister of R. J. Corbett, assistant general manager of the Standard Oil Company of N. Y., at Shanghai. Mrs. Margaret Proctor Smith, who has traveled extensively in China is now devoting herself to lecturing on subjects pertaining to China.

Randall Gould, who had long experience in the Far East division of the *United Press* has been made acting foreign editor of the afternoon newspaper service of the agency. Mr. Gould will have charge of the preparation of all foreign telegrams for the afternoon leased wire service, which is supplied to more than 1,200 daily newspapers in the United States. He replaces L. F. Keemle, temporarily assigned to London. H. Francis Misselwitz, formerly of Tokyo and Shanghai, acting night foreign editor, has been put in charge of foreign cables to morning newspapers.

News was received in Shanghai this week that. Edwin S. Cunningham, U. S. Consul, and Judge Milton D. Purdy, of ths U. S. Court for China will return to their duties here next month Mr. Cunningham is due to leave the United States about the first of next month. Douglas Jenkins, U. S. Consul-General at Hongkong, who has been officiating here during Mr. Cunningham's absence, will leave for the south to assume his duties in Hongkong on March 25, by which time Mr. Cunningham is due back. During Judge Purdy's absence, Alexander Krisel, Commissioner and Consular Judge, and Dr. George Sellett, the District Attorney, have been in charge of the U. S. Court. Judge Purdy is returning to Shanghai via Europe.

Chinese Eastern Railway Reduces Third Class Rates

The Chinese Eastern Railway has reduced the third class passenger fare from Harbin to Manchuli, from Harbin $45.90 to $33.90, and to Changchun from $12 to $10.60. The reductions followed a failure of the Japanese and Russian delegates at a recent railway conference to agree. The C. E. R. is expected to make similar reductions in freight rates.

With the creation of the translation department, the C. E. R. authorities have decided to appoint the translators by examination. About 300 Chinese participated in a recent contest. The successful candidates will be paid about 60 Gold roubles, or Harbin $160 a month.

Sentences Passed on Seditious Colorums

Benito Allas and Narcises Vidal, two members of the religious fanatical group, the Colorums, were found guilty of sedition by the Pangasinan (Philippine Islands) Court February 4. They had participated in the events in Tayug on January 11, when a body of 500 captured the city, cut telephone and telegraph communications and killed five Constabulary men.

The CHINESE NATION

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DEPARTMENTS

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New Books of Interest in the Far East

About China and Russia

China's Hour, by John Nind Smith; Martin Hopkinson, Ltd., London, 1930. 176 pages with appendix and map.

About Russia, by Ernest J. U. Benn; Ernest Benn, Ltd., London, 1930. 168 pages.

These two books of approximately the same length are both written by Englishmen with bias and with not a few peculiarities of view-point.

China's Hour seems a rather heterogeneous collection of "China material", perhaps put together for the sake of another book on such a timely subject. The author rhapsodizes and makes statements which lack clarity even after re-reading. The text also has numerous passages which stretch fact considerably.

> The Chinese family possesses a unity of a nature so indissoluble as to constitute a bodily entity, wherever and however widely scattered, living and dead. It is a tie unique between men, born and unborn, dead and in the womb of women; it was once the only tie in Chinese life: they cared not one jot nor tittle for any outsider of their own or another race. This is the fact on which Chinese life breaks wherever a foreigner touches it; this is the soul possessing all Chinese; *and this is the great attraction of China for all Europeans,* in a day when we have abandoned family worship..... China has been called a female nation, and nowhere else has woman been so permitted to domineer. She has done so by giving way, by making herself the idol. But she has profited in a peculiar degree also by the belief in her mystical wisdom, and in this holds a high place among the women of the world. Regarded physically as a chattel, she was the first of all women in history to receive full political status in Canton in 1912 under Sun Yat-sen. Never have women figured so prominently in a war as in the Kuomin Women's Battalions. . . . Never did China believe in Christianity till Sun Yat-sen, under the influence of Bolshevik liberation-ideas, called himself a Christian Revolutionary and died in that faith. . . . This is the Kuomintang; a band of officials, brothers in all but blood, working together at once to save their people from foreign Powers unassailable and from their paid emissaries, the foes of the Revolution. It is a picture unexampled before, even in the worst days of French revolutionary beleaguerment by the powers of royalism and graft militarism. For even the French had the comfort of one another.

Mr. Smith feels that "Chinese temples are the least religious known to man" and says "a Chinese Buddhist is a man miserable and prone to long hours of abolition of faculty. Opium and Buddhism are the twin enemies of Chinese character: and in psychological effect they are the same. Both are attempts to drug soul which cannot love the inevitable tomb of his fathers."

There are numerous references to Wong Ching-wai whom the author designates as the greatest of Chinese poets (presumably of all time, there being no qualification). For a book written as a friendly interpretation we think many of the statements liable to adverse comment both by foreigners and Chinese.

> The Chinese are a people prone to lying, to false ideals. The religious and ethical groundwork of their humanity was reduced by Confucius, and has since been further reduced by slavish educators, into a system of education freezing and insincere. . . . There is a danger in China of a last, sudden rising against all foreigners in the interior, a hive-swarm of hatred not to be checked. This danger very nearly threatens a world-disaster. . . . China today therefore stands a people in wild hatred of her governors, in bitter hatred of foreigners, flayed by a revolution strange and awful—awful because it is not in tears only but in a wild return to bestial savagery that she faces today the remants of a mad dream of liberty. It is not so easy to make a revolution in lack of money, in starvation of women and children, in machine-gun fire directed by foreigners of every nation on the earth.

The author has evidently been carried away by a desire to appear all-wise. In his closing chapter he writes of "Sun Fo, a tremendous character, though always obstructed in his endeavors to set free the people by their dependence upon foreign teachers and foreign materials," and tells us that "the giant ability of Chiang Kai Shih is well enough known in the world by now". His conclusion is that today there is no place in China for "a great dictator and a great theoretician. Chinese sentiment demands the return of a greater personality. It is Madame Sun Yat-Sen." In another place he states, "I am in no doubt whatever that Madame Sun Yat-Sen is tomorrow absolute ruler of China." The author regrets England's imperialistic work in China and says his aim is finally to foster an Anglo-Chinese alliance which he has for a long time considered essential. "I repeat here my conviction that an Anglo-Chinese alliance in victory is the only means of now righting an historic wrong: that the future will see what I alone have sponsored for four years. . . . This is my reason for again appealing to a country wearied with anti-Bolshevist appeals."

Sir Ernest Benn's book is one of these "anti-Bolshevist appeals". It is a journalist's feeling and reaction toward present-day Russia, written in a clear journalistic style with coherence and logic. To the author the Bolshevist danger lies in their tyranny, their use of propaganda and their hope of world war. Russia does not count. Her people are the agents at present of the world scheme, but the menace is far wider in its scope.

The book is written without references that one might expect in such a work. Any one writing on the Bolshevist regime is limited in reference material. No Russians, even out of the country, are entirely free to speak with authority on conditions of government. They still have relatives in Russia and the arm of retaliation is long and its blows severe. The author incidentally gives us some of his own conclusions on vital questions as the discusses the Bolshevist bias towards them. This is in the form of well-balanced statements and judgments concerning life. The whole book is a well-written warning against apathy to a growing world danger.

G. B. S.

Recent Pamphlets Received

The Jan. 7 issue of the Foreign Policy Association *Information Service* is devoted to "Egypt: a Decade of Political Development."

Yentai Journalism News is the name of the newspaper published by the students of the Department of Journalism at Yenching University. It is not only ably edited but exceptionally well printed.

Large Circulations of London Newspapers

An indication of the high percentage of literacy and the density of population in England is shown in the following figures showing the circulations of newspapers published in London. The figures are reproduced from the *World's Press News* of London:

Daily Express.....	Exceeding 1,703,000	Oct.,	1930
Daily Mail.....	1,872,418	June,	,,
News-Chronicle	1,400,000	Nov.,	,,
The Times.....	192,342	Nov.,	,,
Daily Herald.....	1,120,000	Nov.,	,,
Daily Mirror.....	1,071,200	Year	ago
Daily Sketch.....	1,012,603	Year	ago
Daily Telegraph.....	No figures given		
Morning Post.....	145,101	Nov.,	1930
The Star.....	586,308	June,	,,
(Home editions only)			
Evening News.....	783,470	July,	,,
(Exclusive of sporting editions)			
Evening Standard.....	407,000	July,	,,
(Exclusive of sporting editions)			
News of the World...	In excess 3,000,000	——	
Observer	202,301	June	,,
People	2,521,000	Dec.,	,,
Reynolds's Illustrated News.....	No figures given		
Sunday Dispatch.....	1,227,685	June,	1930
Sunday Express.....	1,016,181	Dec.,	1929
Sunday Graphic.....	No figures given		
Sunday News	750,000	——	
Sunday Pictorial.....	1,882,625	Sept.,	1930
Sunday Referee.....	No figures given		
Sunday Times	No figures given		

Mex $4.90 to Buy One U. S. Dollar

It took $4.90 Shanghai currency to buy an American gold dollar February 9. When the gold dollar several months ago was worth $4.00 Mex it was thought that bottom had been reached and for a short while silver again increased in value. But during the past several weeks there has been a steady decline.

Senator Pittman (Nevada) announced in Washington Feb. 6 that delay had been encountered in the submission of the report of the committee, which for many months had investigated declining Sino-American trade and the relation of depressed silver values to the decline. Senator Pittman for some time has contended that a loan of a huge quantity of silver to China will restore the value of the white metal in the world markets and stimulate the now greatly depressed world trade.

The *United Press* says that from many points the Pittman proposals, even in advance of their official publication, have been subjected to bitter attack on the grounds that a silver loan to China will serve only to further depress the value of China's currency in relation to the gold currency of countries with which she trades.

Brophy, American Airman, Held Up at Swatow

Glenn Werren Brophy, the American airman who set out on what was to have been a one-stop flight to Manila, several weeks ago, has, at the time of going to press, not yet reached his destination. In fact there has not been much news of his whereabouts lately. After his mishap near Foochow, he proceeded southwards again last week, but was forced down once more near Swatow. Weather conditions were unpropitious at the time.

China Tightens Regulations on Random Flying

A new ruling intended to halt promiscuous flying of foreign airplanes in China was promulgated recently by the Minstry of Foreign Affairs. Acting on the petition of the aviation department, the Foreign Office has notified all foreign ministers in China that hereafter all foreign pilots desiring to fly in China must submit an application for a permit to the Chinese authorities one month beforehand; also every foreign owned plane must be inspected by Chinese authorities before taking off and again on landing. Foreign aviators who fail to make application for permit to fly in China, will have their plane detained by the Chinese, the new ruling continues.

Dr. Hugh Smith Proceeds to Siam

Dr. Hugh Smith, a former employee of the American Bureau of Insular Affairs and now connected with the Siamese Government, passed through Shanghai during the week on his way to Bangkok from the United States.

H. K. Murphy Returns to China

Henry Killam Murphy, prominent American architect who prepared plans for the development of Nanking as the national capital and made plans for a new Shanghai civic center, returned to Shanghai from the United States during the week.

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The China Critic

Vol. IV January 22, 1931 No. 4

EDITORIAL PARAGRAPHS:

The Death Penalty

Russia's Treason Trial

China's Foreign Trade Association

EDITORIALS:

Likin and the Business Tax

The Return of The Belgian Concession

SPECIAL ARTICLES:

The Chinese Madonna in the Making
By Sun chi-Hsiang

Justifications of the Chinese Exclusion Law
By Henry P. Chiu

Imitation vs. Adaptation in Educational Reconstruction
By A. Gorden Melvin

ARTS AND LETTERS

FACTS AND FIGURES

CHIEF EVENTS

FROM CHINESE PRESS

FROM FOREIGN PRESS

BOOK REVIEW:

The American Leviathan-The Republic in the Machine age
By C. A. Beard & W. Beard

THE CHINA CRITIC

50 Peking Road, Shanghai.

(Telephone 10976)

IN THE FIELDS OF FINANCE AND RECONSTRUCTION

(Continued from page 399)

for the development of British civil aviation in the Far East, would be sympathetically received.

Trial flights for the Nanking-Peiping air mail and passenger service to be operated by the China National Aviation Corporation were scheduled for this week, according to information from the Ministry of Communications. Nien Kai-I, Assistant Director of the Operations Department, departed for the North for a final inspection of the various landing fields along the route. It was stated that six Stinson airplanes, each capable of carrying four passengers, will be used for the service. The entire air route between Nanking and Peiping is about 700 miles, which distance will be covered by airplane in eight hours. It has been decided that only air mail will be carried upon the inauguration of the line, to be later extended to the carrying of passengers. The air mail postal rate will be similar to that on the Shanghai-Hankow service.

Preparations Made for Construction of New American Consulate

Although nothing has been heard from Washington recently regarding the date for beginning work on the new American Government building at Shanghai, the task of demolishing the old structure which now occupies the premises on Whangpoo Road, started last week. The new American Government Building, which will house the American Consulate-General, Commercial Attache, Treasury representative and other officials of the American Government stationed in Shanghai, will cost approximately G.$750,000, the present exchange equivalent being $3,350,000 in Chinese silver currency. The building will front on the Whangpoo and will be from 8 to 12 stories in height. The architect is R. M. Trimble of Pittsburgh, Pa.

According to a report appearing in the building supplement of the *Shanghai Evening Post* on Feb. 5, work is also to start shortly on the Great China Building, to be located on Nanking Road. The structure will be twelve stories in height and will cost approximately $2,000,000. E. B. Cumine is the architect. Construction on the building has been held up for more than a year due to litigation with tenants of buildings now occupying the premises, but a recent decision of the Nanking Supreme Court, is expected to pave the way for settlement of the controversy.

The Shanghai School for the Blind will shortly begin construction on twelve new buildings at a cost of $120,000. The new construction will include an administration building, a "Braille" printing plant, dormitory buildings, etc. Poy G. Lee is the architect.

Government Approves Hupeh Loan for $3,000,000

A set of regulations governing the issue of the 20th Year Hupeh Provincial Rehabilitation Loan was approved at the 129th reguar meeting of the Legislative Yuan on Feb. 3 The new regulations will be submitted to the National Government shortly for promulgution. The Loan will bear interest at 8 (eight) per cent per annum, and is for three million dollars ($3,000,000). It will, as stipulated, be applied to the rehabilitation of the Province.

The loan will be offered for public subscription as from Feb. 15. Redemption will be made by public drawings semi annually, beginning from June, 1932, at which 1/20th of the Loan (i.e., $150,000 each half-year of $300,000 a year) will be redeemed. The entire loan is to be repaid in ten years by the end of 1941. Interest payments will be met regularly on June 30 and December 31 of every year. Revene derived from the Tayeh (Apeh) Iron mines and the Provincial Government Silk, Hemp, Cotton Yarn, and Cloth Factories will be hypothecated and deposited regularly, in accordance with the amounts specified in the amortization table, with banks designated by the Sinking Fund Committee to meet commitments on due dates. The Sinking Fund Committee, appointed by the Hupeh Provincial Government, will consist of nine members, one each from the Previncial Government, the Department of Finance, Department of Civil Affairs, Department of Reconstruction, the Auditing Organ, the General Chambers of Commerce of Wuchang and Hankow, the Bankers' Association and the Native Bankers' Guild at Hankow. The bonds will be bearer bonds in the denominations of $1,000, $100, $10 and 85.

Chinese Government to Tighten Grip on Mining Enterprises

Plans for the nationalization or re-organization of various mining companies in the country are now under consideration by the Ministry of Industry, according to a recent *Kuo Min* message from Nanking. The program formulated by the Ministry is briefly as follows:

1. *Kailan Mining Administration:* This Company was formed through the amalgamation of the (British registered) Chinese Engineering and Mining Company and the (Chinese) Lanchow Company. According to the agreement signed between the two Companies, the (Chinese) Lanchow Company has the right to take over the Kailan Company. In view of the fact that this has not been done in accordance with the agreement and that the Kailan Company has never abided by the laws of the Chinese Government nor paid the prescribed taxes, the former Ministry of Agriculture and Mining, in conjunction with the Ministries of Finance and Foreign Affairs, organized a special Reorganization Committee for the reorganization of the Administration. Due to the disturbed conditions in the country, this Committee has however failed to achieve anything.

2. *Luta Mining Co.* This Company operates the Tzuchuan and Fantze coal mines and the Chinlingchen iron mine, all of which are in the province of Shantung. As a result of usurpation of powers by the Japanese a dispute had arisen between the Company and the Shantung Provincial Government. The former Ministry of Agriculture and Mining had obtained the sanction of the Executive Yuan for the establishment of a special Committee for the reorganization of the Company, which, however, has not yet been formed. The Ministry of Industry will endeavor to carry out what the former Ministry has left unaccomplished.

3. *Chungyuan Mining Administration:* This Company was formed jointly by the Government Authorities and people in Honan in competition with the (British) Peking Syndicate. In the 16th year (1917), the Kuominchun rebel leaders took over the Company. Following the liquidation of the rebellion and the withdrawal of the Kuominchun from Honan, the administration of the Company was taken over by the Honan Provincial Government. The condition of the Company was rathers complicated, there being also many pending dispute between the Company and the Peking Syndicate. The former Ministry of Agriculture and Mining had also obtained the sanction of the Executive Yuan for the establishment of a special Reorganization Committee to be jointly organized by the Ministries of Foreign Affairs, Railways, and Mining, and the Honon Provincial Government. Owing to the Honan Government failing to appoint its representatives, the Commetee has never actually been organized. The Ministry of Industry is now arranging with the Honan Authorities to send delegates immediately to form the Committee.

4. *Hanyehping Mines:* At first, special Committees were appointed by the Ministries of Communications and Agriculture and Mining for the reorganization of this Company. Later on, the 2nd Plenary Session passed a resolution providing that the National Government should appoint a special Commissioner to carry out the reorganization. The Ministry of Industry is now giving the question its careful consideration and will immediately submit appropriate recommendations to the Government for approval.

Following the suspension of the mines, the Kiangsi ProvincialGovernment, with a view to maintaing the livelihoold of the mine workers, had appropriated funds to continue the operations of the Pinghsiang coal mine, which formed a part of the Hanyehping mines. Due however to shortage of funds, the mine had eventually to be suspended. Plans are being formulated by the Ministry to facilitate the reopening of this important mine.

5. *Lincheng Coal Mining Administration:* The dispute over this Company which arose sometime ago between the Hopei Provincial Government and the private shareholders has not yet been settled. Though the Ministry of Agriculture and Mining had taken steps to bring about a settlement of the question, its efforts were frustrated through the Hopei Authorities refusing to send delegates. The Ministry will endeavor to effect a speedy settlement of the dispute, so that operations may be resumed.

The Rumored Sino-American Shipping Projects*

BY PAUL K. WHANG

Of late there has been much talk in the Chinese and foreign press regarding the development of China's shipping industry with assistance and cooperation from foreign shipping interests. A Nanking dispatch by *Reuters* service on Feb. 2 stated that Capt. Robert Dollar, head of the Dollar Shipping Interests, on his recent trip to China had made a proposal to the National government to operate several lines of steamers on the Yangtsze and along China's coast.

From the same source, we have also learned that Wang Peh-chun, the Minister of Communication, while, expressing his opinion that the proposals should not be accepted in the form laid down but that the company should be formed along lines similar to those governing the Sino-American Aviation Corporation.

From reports in the Chinese press we have been informed that the forthcoming Sino-American shipping project will involve the China Merchants Steam Navigation Company, now a government enterprise, and the Dollar Company, and that Li Chung-kung, China Merchants' chief, has specially taken a trip to Nanking to confer with other government officials on this matter. This, however, draws a denial from Mr. Li, who, in an interview with the Chinese pressmen, stated:

"I have only learned such news from the newspapers while I was in Soochow. That there might be some negotiations between the Ministry of Communication and the foreign party concerned I am not in a position to say. But so far as the China Merchants' S. N. Co. is concerned, it has never taken part in any such negotiations. Since the government promulgated the regulations governing the reorganization of the Company and appointed the Special Commissioner to put into effect the program of reorganization, China Merchants' is now directly responsible to the State Council of the National government. I, as the Special Commissioner, have been invested with the authority of reorganizing the Company, and therefore will be the first one to be informed, if there is any project as the present one. But so far, I have not been approached either formally or informally by any party with such a project. The absurdity of the press report can be further shown by its report of my going to Nanking for that purpose, inasmuch as I have never gone to the Capital for the last few weeks. Since China Merchants' was turned into the government control, our government has left no stone unturned to promote the growth of our government-owned shipping industry. In the meantime, it will encourage and help those shipping enterprises which can be undertaken by the private interests, so much so that China can be in a position to ask for the rendition of shipping rights".

Denial by Minister of Communications

As a coincidence to Mr. Li's denial, the Minister of Communication Wang Peh-chun was quoted as saying in the Chinese press of Feb. 8 that there was no truth in the press report of the much talked of Sino-American shipping project, and that last year a certain American firm did approach him with the proposal of selling to China a fleet of ships, but that matter has since dropped out. A further light is shown on this subject from the Nanking message dated Feb. 7 which appeared in the *China Press* stating that according to Mr. Wang, the government has not accepted any proposed foreign scheme of cooperation, although the reponsible authorities are considering whether foreign ships should be purchased for extending the navigation activities of the Chinese government.

These pronouncements made by the responsible officials will serve to dispel the fears of those who, on learning this news, have looked with suspicious eyes upon this joint adventure, and voiced their protests in the Chinese press against the consummation of this project. That any Sino-foreign business project will now be condemned by the Chinese people as an imperialistic intrigue in disguise is not without reasons inasmuch as China has learned many bitter lessons in its past experience with the Japanese and Russian governments, which under the good name of Sino-Japanese and Sino-Russian cooperation have turned everything to their own advantage. Thus New China will not place any confidence in any Sino-foreign cooperation, even though the foreign party, in making this proposal, has no political axe to grind, and has a pure business motive to serve.

Moreover, China's shipping industry, though yet in its infancy, has already its foundation laid, and is quite different from the commercial aviation, which, being an innovation, must needs have foreign cooperation to introduce it to China. Ever since the National government came into being, it has been determined to develop the national shipping industry by turning China Merchants' S. N. Co., the biggest shipping concern in China, into the government control. It goes without saying that it will reflect upon the good faith of the National government, if it now forsakes its long cherished shipping development program, and leaves the unfinished task to the Sino-American shipping corporation. But what delays the government in carrying out this development program lies in its financial difficulties. Therefore, in order to avoid the objectionable features of any Sino-foreign corporation, and any complications which may arise after its organization, our government will be far much better off by securing a loan from the foreign party concerned and develop our shipping industry according to our laid down program.

Even the securing of a foreign loan at this time seems to be unnecessary. A message from Nanking dated Feb. 7 appearing in the Chinese newspapers stated that several overseas Chinese had approached the government with the proposal that they were willing to invest $20,000,000 in reorganizing China Merchants' S. N. Co. This news bears special interest at this moment, when the talk of a Sino-foreign shipping project and of securing foreign loan to develop China's shipping industry has been rife, and it will sufficiently convince our government that, with the internecine warfare definitely ended, our people, who hitherto have their money hoarded in their safe, are ready to invest their wealth in China's different industries. In short, in order to regain our lost shipping rights, we should develop our shipping industry with our own capital, and should not look for help from any foreign sources.

Shanghai, Feb. 9, 1931.

The report which appeared in The Review, *on February 7 (Page 374) stating that Capt. Robert Dollar, on his recent visit to China had proposed the organization of a Chinese-registered shipping company to be owned and operated by the Dollar interests, has been denied by both the Minister of Communications and by the Dollar interests. As stated in the account which appeared in* The Review *on Feb. 7 the original report appeared in* The Central Daily News, *official Kuomintang organ in Nanking, following which it was transmitted to Shanghai by* Reuters *service. From other sources it is learned that a somewhat similar proposal had been made to the Chinese Government by another American shipping interest not connected with the Dollar Shipping Company.*

H. B. Campbell

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TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

55-492

Suppressing the Bandits in Honan

(Special Corespondence to the Review)

Kaifeng, Honan, January 31.—With a view to clearing away the Communist-bandits, throughout the whole province, General Liu Chih, chairman of the province, has recently ordered the higher military officers to be guided by the following instructions: (1) The evils of the Communists should be explained to the soldiers in detail lest they are seduced by them; (2) in order to obtain their cooperation, the soldiers should be strictly forbidden to disturb the farmers; (3) the higher military officers should make close connection with the local people, so as to be familiar with local conditions; and (4) in suppressing the Communists and the bandits in a fundamental way the military officers should make good use of the best opportunity.

Successful Measures Against Bandits

From Kushih Hsien in southern Honan comes a report stating that the remnants of Li Ke-pang, a famous bandit leader, who was executed in the city on the 20th inst., have been defeated by the Government troops under the command of General Chi Hung-chang, commander of the 25th division. Continuing the report says that more than 100 bandits were killed, 50 arrested, 200 captives released and 100 guns seized.

More than 1,000 bandits, led by Wei- Kuo-chu and Han Shih-ying, who had created disturbances for a long time in Ling-pao Hsien in western Honan, are reported to have been dispersed by the military troops, under command of General Wang Nai-wen.

A large number of the bandits, led by He Lao Po or Black Old Lady who is a famous woman bandit, looted several villages at Wuyang Hsien in Central Honan, on the 15th inst.. The Minchuan or the People's Army fought against them with the result that over 40 of the bandits were killed, six arrested and 1,000 captives released.

Heavenly Gate Remnants Active

The remnants of the Heavenly Gate Society, about several thousand in number, who are now directed by the Communists, are extremely rampant in Lin Hsien in northern Honan. Their ringleader is Han Yu-ming who called himself "Ming Yu Emperor" some years ago.

Two Conferences Held in the City

A judicial reform conference has been held recently in the city, and all heads of the district courts in the Province were present. According to one of their main decisions, the "reconciling bureau for the civil cases" will soon be established in each hsien or district in the near future. The judicial officers are ordered to be careful in their behavior in order to show their judicial spirit, and to settle the minor cases as soon as they approach without any delay.

Judge Meng Chao-tung, Commissioner of the Honan Provincial High Court, has issued a circular letter, explaining that a niece has no right to be a successor of one's property.

A military transportation conference has also been held recently here. All the renresentatives of Ping-han, Lung-hai and Tao-ching railways were present. Their main discussions were: (1) No matter whatever case it may be, the military transportation is not allowed to cause any delay during the time of suppressing Communists and bandits, (2) five trains should be alloted to transport salt and coal, as both are needed in the province, and (3) the joint transportation of the Ping-han and Lung-hai railways should be soon carried out.

Movements Among the Troops

The 23rd division, under command of General Li Yun-chieh, are ordered to move to Chumatien, on the Ping-han line, from Kweiteh, and one part of the First division, under commandant of General Hu Tsung-nan, will soon be transferred to succeed the former.

The 68th division, under command of General Chang Fang, are now moving to Loyang in western Honan. The 5th division, under command of General Wan Tien-chun, are moving to Tunghsu in central Honan.

The 75th division, under command of General Sung Tien-tsai, who have been stationed in Pei-yang, Sui-ping, Wu-yang and Yeh-hsien in southern Honan, are ordered to move to Junan, Lu-shan, Chia-hsien and Pao-feng in western Honan, to suppress bandits.

Latest New York Stock Exchange Quotations

Market: Strong Business Done 1,200,000 Shares
February 10.

1930-1931 High	1930-1931 Low	Div.$ perSh.	STOCKS	Sat. Feb. 7	Mon. Feb. 9
37⅜	14¼	1.60	Adams Express	20⅜	21¼
156½	104⅝	4.00	American Can	113	116
101¾	24	—	American & Foreign Power	33¼	33½
76⅞	11⅛	—	American & For. Power W.	18	18¼
79½	37½	4.00	American Smelting	44⅛	46
274¼	170⅜	9.00	American Tel. & Tel.	190	192½
130⅞	99¼	5.00	American Tobacco "B"	114¾	118
124⅞	47⅝	*3.00	American Waterworks	59⅝	61⅝
81½	25	2.50	Anaconda Copper	33⅞	35¼
51⅜	16⅝	*1.00	Atlantic Refining	20⅜	21
122⅜	55⅜	7.00	Baltimore & Ohio	79⅛	80½
110¼	47⅞	6.00	Bethlehem Steel	52⅞	56¾
50½	15	1.00	Borg Warner	25	25½
33⅜	7¾	—	Calumet & Hecla	8⅝	8⅞
52¼	35¼	2.50	Canadian Pacific Railway	42	42¼
362¾	82½	6.00	Case J. I.	93½	99⅝
43	14⅛	1.00	Chrysler	17⅜	18½
44¼	13⅛	p.30	Cities Service, Com.	18⅜	19
87	30⅝	2.00	Columbia Gas & Electric	37½	38¾
37⅜	7⅛	.75	Columbia Graphaphone	8⅞	9⅝
20¼	7½	.60	Commonwealth & Southern	9¾	9⅞
6¼	1⅜	—	„ „ war.	Unq.	2⅛
136⅞	78¼	4.00	Consolidated Gas. of N. Y.	92½	94
30½	7¾	—	Continental Oil	10¼	11
14⅞	1¾	—	Curtiss Wright Co.	4	4¼
145¼	80½	4.00	Du Pont de Nemours	89⅜	91¾
255¼	142⅛	5.00	Eastman Kodak	162	165
117⅞	37⅛	6% S	Electric Bond & Share	46¾	47¾
67⅜	16⅛	4.00	Fox Film "A"	33½	35
34⅝	4⅜	—	General Aviation	8⅞	9½
95⅜	41⅞	1.60	General Electric	45¾	47
61¼	44⅜	3.00	General Foods	52½	52¾
54¼	31⅛	3.00	General Motors	39⅛	42⅞
106⅞	56	5.00	General Railway Signal	74⅜	75½
47⅞	29	2.50	Gold Dust	36⅞	36¾
58½	15¼	—	Goodrich Rubber	16½	17⅛
96⅞	35⅛	5.00	Goodyear Tire & Rubber Co.	42⅛	44
59⅞	12	2.00	Granby	16	16½
62⅞	10	3.00	Hudson Motors,	20¼	21½
75⅝	49½	4.00	International Cement	57	57
14½	1¼	—	International Combu. Eng.	Unq.	3¾
115¾	43¾	2.50	International Harvester	52¼	53⅞
44⅜	12¾	1.00	International Nickel	14½	15½
77⅜	17½	2.00	International Tel. & Tel.	27⅞	28½
148¾	48¾	3.00	Johns Manville	63¾	66
63¾	20⅛	2.00	Kennecott	24½	25⅜
35⅜	20⅝	2.00	Kreuger & Toll	23⅝	24
48⅛	17⅜	1.00	Kroger Grocery	27½	28
114⅜	76¼	4.00	Liggett & Myers, "B"	91½	Unq.
95⅜	41⅜	3.00	Loew's: Inc	53½	56⅜
28⅛	8¾	—	Lorillard P Co. (com-)	15½	15⅜
32⅜	9	1.00	Nevada Consolidated Co.	11¼	11½
192¾	105⅛	8.00	New York Central	123⅝	124
107⅞	45	3.00	Pacific Lighting	56½	58
23⅜	7¼	.60	Packard Motor Car	10	10¼
77¼	34¾	4.00	Paramount—Publix Corp	47¾	49¼
86⅝	53½	4.00	Pennsylvania Railroad	62⅛	62½
16½	5	.20	Penroad Corporation	8⅞	9½
44¾	11½	*2.00	Phillips Petroleum	13¼	13¾
123¾	65	3.40	Public Service of N. Jersey	81½	83⅞
69⅜	11⅝	—	Radio Corporation	16⅝	17⅝
50	14⅜	—	Radio-Keith Orpheum	19¾	21⅛
58⅝	40	3.00	Reynolds Tobacco "B"	45⅞	44⅞
100⅝	43⅛	*2.50	Sears Roebuck	52¾	54⅞
25½	5¼	—	Shell Union	9⅜	9¾
94⅞	11	—	Simmons Company	16¾	18
72	40⅛	2.00	Southern California Edison	49⅜	49¾
29¼	14⅛	2.50	Standard Brands	18⅜	18⅞
129¼	52¾	3.50	Standard Gas & Electric	66¼	69
84⅞	43½	*1.00	Standard Oil of N. Jersey	48	49¾
40⅜	19¾	1.60	Standard Oil of New York	24¼	25¾
60½	28⅛	3.00	Texas Corporation	32¼	33¼
67⅜	40¼	4.00	Texas Gulf Sulphur	50	51¼
89¼	40⅛	3.00	Timken Roller Bearing	47⅜	49⅜
47⅜	10⅜	1.00	Trans America	12¾	Unq.
106⅜	52½	2.60	Union Carbide & Carbon	62	63¼
242¾	166½	10.00	Union Pacific Railway	198	200
99	18⅜	—	United Aircraft & Transp't	26½	28¼
52	13⅞	.50	United Corporation	21½	23
35	11	—	U.S. Rubber	13⅝	14
198¾	134⅜	7.00	U.S. Steel	140⅜	143⅜
143¼	44⅜	3.00	Vanadium	51⅛	55¼
80¾	9¾	—	Warner Bros. Pictures	17¼	17⅞
201½	84⅛	5.00	Westinghouse E. & M.	87⅛	10
72⅜	51⅝	2.40	Woolworth	60¾	62
44⅞	9¼	—	Ludlum Steel	14⅜	15½
49⅞	15⅛	—	Montgomery Ward	22¼	23¼
			Call Money	1½%	1½%

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The 76th division, under command of General Li Wan-lin, are ordered to move from Pao-feng to Kunghsien for training.

General Chiang Ting-wen, commandant of the 9th division, arrived here by armored train from Loyang on the 28th inst. to report to General Liu Chih, chairman of the province, on the military conditions in western Honan, and returned back on the 29th night. General Chiang is now staying at Loyang in western Honan with his troops to protect the Lunghai line from Loyang to Lin-Pao.

Institute of Pacific Relations to Meet at Hangchow

The Fourth Biennial Conference of the Institute of Pacific Relations to be held from October 21 to November 4 is to meet in Hangchow, according to an announcement made recently by the China Council of the Institute. The Ministry of Railways has offered to extend the courtesy of free passes over the Chinese Railways for the visiting members. Approximately 200 visitors will be in attendance, coming from the United States, Canada, England, Australia, New Zealand, Honolulu and Japan.

The two major questions on the agenda for this conference are (1) international economic relations in the Pacific, with special reference to the economic development of China, and (2) China's foreign relations. Under the first heading attention will also be given to the problem of trade relations in the Pacific, viewed in the light of the present economic depression. In addition there will be technical round tables to deal with problems of food and population, cultural contacts, Pacific dependencies, migration and race problems, labor problems and the standard of living.

General Butler Apologizes—Receives Reprimand

The incident in which Major General Smedley D. Butler of the Marine Corps spoke in disparaging terms of Premier Mussolini, as a result of which America sent an apology to Italy, and for which General Butler was to have been courtmartialed has come to an unexpected end. After all the preparations for courtmartialing the indiscreet general had been prepared and he himself had made elaborate preparations for his defense, it was suddenly announced in Washington, February 3, by Charles Francis Adams, Seretary of the Navy, that General Butler had written a letter apologizing for his indiscretion, at the same time explaining that his remarks had been made in confidence. Secretary Adams then reprimanded General Butler, but at the same time announced that the courtmartial proceedings would be dropped.

Reception in Honor of Dr. C. Washburne

A joint reception in honor of Dr. C. Washburne, the well known American educationalist, has been arranged by the World's Chinese Students' Federation. The reception will take place at the Bankers Club, Hongkong Road, Shanghai, Sunday, February 15 at 7 p. m., under the auspices of the Bureau of Education of Greater Shanghai Municipality, the National Child Education Association, the World's Chinese Students' Federation, Shanghai College, Chiao Tung University, Fuh Tan University, Labor University, Chinan University, Kwang Hwa University, Great China University, Sino-French College, *Shun Pao*, *Sin Wan Pao*, the Commercial Press, Chung Hwa Book Company, World Book Company and Kai Ming Book Company.

Exchange Circular for the week ending Wednesday, 4th February, 1931.

The important question of a Loan to China is still under discussion. On this side there now appears to be a section of the Governmentt in favour of a silver loan, which is being strenuously urged by certain circles in the U.S.A. We think that the rehabilitation of silver cannot be achieved by any such plan. As to a Loan in Gold, or Gold Credits we do not yet hear of any advance in negotiations at either end nor could a step of such moment be attempted without difficult and protracted discussions, conferences, and Agreements between the Powers, which at present seems very remote. Meantime the British Chancellor of the Exchequer has stated that he declines to approach the U.S.A. or France for the purpose of the salvation of silver.

This week has been disastrous for silver and the Fael; large declines are registered below, and many fresh low records.

Silver:—Opened on 29th ult at 13⅞d for spot and 13⅝d. forward, and G. $ 0.29½, and closes today at 12$\frac{15}{16}$d. and 12¾d. and G. $ 0.27⅛.

China has figured as a seller; India has bought and sold with continued weakness in America which appears demoralized.

Exchange:—The official T/T rate on London has moved as follows:—On the 29th 1/3$\frac{3}{16}$d; the 31st ult. 1/3¼d; on the 2nd inst. 1/3$\frac{1}{16}$d; and later in the day to 1/3d: This morning lowered to 1/2d½, and snbsequently to ½ 3$\frac{1}{16}$d.

The market opened on the 29th ult. with T/T on London and New York at 1/3$\frac{5}{16}$d. and G. $ 31⅝: 4 m/st Credits 1/4$\frac{1}{16}$d. and G. $32½: Yen Cross 49$\frac{7}{16}$: Yen 156½: Gold Barst 701.

A considerable business was done during the day, with an occasional 1/3$\frac{0}{16}$d. and proportionate rates, but closing just steady, with Gold Bars at 690. 50.

On the 30th ult with a drop in silver all round, we declined to 1/3$\frac{3}{16}$d and G. $ 31⅜ which soon dwindled to 1/3$\frac{1}{16}$d, and G. $ 31¼: Yen 157½ and the Bar closing at 714. A quiet day.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ... . Tls. 97,906,000 a decrease of Tls. 345,000
Chinese and Mexican Dollars $ 160,360,000 a decrease of $ 1,050,000
Estimated value Tls. 213,365,000 as against Tls. 209,470,000 held at this time last year

†	Average rates for Jan.	Thursday Jan. 29	Friday Jan. 30	Saturday Jan. 31	Monday Feb. 2	Tuesday Feb. 3	Wed. Feb. 4
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T on London	1/3 411	1/3⅜	1/3⅜	1/3¼	1/3⅜	1/3⅜ 1/3	1/2$\frac{1}{2}$ nom. 1/2⅜
D/Dfts ,,		1/3⅜	1/3⅜	1/3¼	1/3⅜	1/3⅜ 1/3	1/2½ 1/2⅜
4 m/s ,,	—	1/3$\frac{7}{16}$	1/3$\frac{7}{16}$	1/3$\frac{8}{16}$	1/3$\frac{8}{16}$	1/3$\frac{9}{16}$ 1/3$\frac{10}{16}$	1/2$\frac{10}{16}$ 1/2$\frac{11}{16}$
T/T on India	86,479	86¼	86¼	85½	84¾	84¾ 84⅛	81⅜ 80⅝
T/T on France	794,875	793	793	787	780	780 774	748 742
T/T on N.Y.	31,208	31⅛	31⅛	30⅞	30⅝	30⅝ 30⅜	29⅜ 29⅛
T/T on Demand		31⅛	31⅛	30⅞	30⅝	30⅝ 30⅜	29⅜ 29⅛
T/T on Hamburg R. M.		130¾	130¾	129¾	128¾	123$\frac{3}{4}$ 127$\frac{3}{4}$	123½ 122¼
T/T on H'kong	76.687	77 nom.	77 nom.	77 mon.	77 mon.	77¼ nom.	78 nom. 78
T/T on Japan	158.797	159	159	160¼	161½	77½	168½ 170
T/T on Batavia	77.375	77¼	77¼	76¾	76	161½ 162$\frac{1}{4}$	73 72⅜
T/T on Straits	180.375	180¾	180¾	182	183½	76 75½	191½ 193¼
Bk's buying rates 4 m/s B/L.						183½ 185	
Cred. & D/A	1/4 260	1/4¼	1/4⅛	1/4⅛	1/4	1/4 1/3¼	1/3⅛ 1/3¼
4m/s B/L D/P	—	1/4⅜	1/4¼	1/4¼	1/4⅛	1/4⅛ 1/3⅞	1/3$\frac{1}{16}$ 1/3$\frac{3}{16}$
6 m/s ,, B/L Cred & D/A	1/4 500	1/4½	1/4⅜	1/4⅜	1/4¼	1/4¼ 1/4	1/3$\frac{5}{16}$ 1/3$\frac{5}{16}$
4m/s B/P Cred D/A or D/P	836.4 6	830	830	825	815	815 810	800 795
4m/s N.Y.Lc.	32.833	32⅝	32½	32¼	32	32 31¾	31⅜ 31⅛
4m/s ,, Doc.	—	32⅞	32¾	32½	32¼	32¼ 32	31⅝ 31⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Jan. 29	Jan. 30	Jan. 31	Feb. 2	Feb. 3	Feb. 4
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence						
**New York Price of Bar Silver per oz. (Pure)	13⅞	13$\frac{15}{16}$	13$\frac{3}{16}$	13⅜	13¼	13$\frac{3}{16}$
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	G.$.29½ Tls.	G.$.28⅞ Tls.	G.$.28¾ Tls.	G.$.28⅝ Tls.	G.$.28⅛ Tls.	G.$.27⅛ Tls.
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch)	699^{50} Tls.	714^{00} Tls.	716^{70} Tls	725^{30} Tls.	743^{50} Tls.	755^{50} Tls.
Shanghai Mexican Dollars per $100	112^{50} Tls.	112^{50} Tls.	112^{50} Tls.	112^{50} Tls.	112^{50} Tls.	112^{50} Tls.
Native Bank Rate of Interest (Call money)	72.2125	72.2125	72.15	72.10	72.0875	72.05
*Closing Price in London for Previous day	1%	1%	1%	1%	1%	1%
**Closing Price in New York for Previous day ...						

Bank of England rate of discount	3 %	London on Paris	T/T 123.91
Bank of France rate of discount	2 %	New York on London	T/T 485$\frac{13}{16}$
London open Market of Dis.	3 m/s 2$\frac{9}{16}$ %	Bombay on London	T/T 1/5¾
,, ,,	4 ,, 2$\frac{9}{16}$ %	Hongkong on London	T/T 1/1¼
,, ,,	6 ,, 2⅝ %	Kobe on London	T/T 2/0$\frac{15}{32}$

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

February 5, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	97	—
City of Antwerp	5 % Dec. 1, 1958	100¾	4.95
Argentine Government	6 % May 1, 1960	91	6.70
Canadian National Railway Co.	5 % Oct. 1, 1969	104¼	4.73
Chile Government ..	6 % Jan. 1, 1961	81¼	7.54
City of Vienna	6 % Nov. 1, 1952	81¾	7.74
City of Yokohama ..	6 % Dec. 1, 1961	98½	6.11
German General Electric (A. E. G.)	6 % May 1, 1948	87	7.33
German Central Bank for Agriculture.. ..	6 % Apr. 15, 1938	83⅞	9.17
Greek Government ..	6 % Feb. 1, 1968	86	7.07
Japanese Government	6½% Feb. 1, 1954	104½	6.13
Kingdom of Italy.. ..	7 % Dec. 1, 1951	98	7.19
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	55½	11.53
Nord Railway Co. ..	6½% Oct. 1, 1950	106¼	6.01
Norwegian Hydro-Elec. Nitrogen Corp.	5½% Nov. 1, 1957	100¼	5.48
Oriental Development Co.	5½% Nov. 1, 1958	92	6.10
Paris - Lyons - Med. Railroad Co.	7 % Sept. 15, 1958	107¼	6.44
Republic of Costa Rica (Pacific Rwy.)	7½% Sept. 1, 1949	75bid	10.58
Republic of Finland ..	5½% Feb. 1, 1958	85½	6.76
Republic of Peru	6 % Dec. 1, 1960	29	—
Rhine Westphalia Electric Power Corp. w.w.	6 % Aug. 1, 1953	79	8.03
Saxon Public Works	6½% May 1, 1951	78¾	8.75
Saxon State Mortgage Institution	6½% Dec. 1, 1946	82¾	8.49
Toho Electric Power Co. Notes (Japan)	6 % July 1, 1932	99	6.71
Tokyo Electric Light Co. (Japan)..	6 % June 15, 1953	87⅞	7.09
Ujigawa Electric Power Co. (Japan)	7 % Mar. 15, 1945	100½	6.94
U. S. of Brazil	6½% Oct. 15, 1957	64	—
Anaconda Copper Mining Co.	Common Stock	33¾	—
Baltimore & Ohio Railroad Co.	Common Stock	79½	—
Belgian National Rway. Pcptg. Pfd. Stock ..	6 % (American Sh.)	82½	—
Pennsylvania Railroad Co.	Common Stock	62¼	—
Standard Oil Co. of New York	Common Stock	23¼	—
United Aircraft & Transport Corp. ..	Common Stock	26½	—
Vacuum Oil Co.	Common Stock	56	—
Chicago Rapid Transit Co.	6½% July 1, 1944	81	9.21
Cuban Dominican Sugar Corp.	7½% Nov. 1, 1944	20	—
Pennsylvania - Dixie Cement Corp. ..	7% Cum. Pfd. Stock	27¼	—
State of Minas Geraes Series "A"	6½% Sept. 1, 1959	57	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	72	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	66¾	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1915/60	64¾	—
Chinese Govt. (Crisp Loan)	5 % 1912	50	—
Shanghai Nanking Railway	5 % 1904/08	58½	—
Shanghai Hangchow Ningpo Railway ..	5 % 1908/38	78	—
Hukuang Railway ..	5 % 1911/1951	30¾	—
Tientsin Pukow Railway	5 % 1908/09	30	—

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mills—thousands;

PRESIDENT LINCOLN, Dec. 31.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Steam Filatures:			
White, S'hai...	*Bls.* 85	*Pls.*	83.38
Yellow, Chungking, etc	*Bls.* 25	,,	25.73
Wild, Dairen...	,, 140	,,	145.35
Silk, Raw, Reeled from Doupions:			
Shanghai	*Bls.* 75	*Pls.*	74.06
Silk Piece Goods		,,	1.40
Tea, Green:			
Gunpowder, Hangchow		,,	14
Gunpowder, Ningpo...		,,	265
Egg Yolk, Dried.....		,,	57
Brassware.....		,,	66
Cotton Yarn, Grey		,,	40
Feathers, Duck.....		,,	60
Oil, Tea		,,	335
Oil, Wood		,,	859
Seed, Sesamum.....		,,	7,560
Skins, Lamb, Untanned...	*Pcs.*		3,000
Hats, Buntal Fibre	,,		6,000
Hats, Hemp			1,200

FERNHILL, January 5.
(Agents: O. Thoresen & Co.)
From U. S. of America.

Cotton, Raw...	*Bls.* 4,870	*Pls.*	17,505

KEIFUKU MARU, January 5.
Agents: Rioka Soko Kabushiki Kaisha.
From U. S of America.

Cotton, Raw:			
American.....	*Bls.* 5,277	*Pls*	19,139

BORDEAUX MARU, January 5.
(Agent: Showa Shipping Co.)
From U. S. of America.

Iron and Steel, Ungalvanized:			
Wire Old.....		*Pls.*	384
Hides, Cow		,,	580
Rubber Tires, Old		,,	157
Tobacco, Leaf		,,	2,183
Wheat		,,	59,025

PRESIDENT MADISON, Jan. 5.
(Agents: Robert Dollar Co.)
From U. S. of America.

Apples Fresh		*Pls.*	365
Canned Fruits, Table		,,	18
Cheese		,,	16
Fodder		,,	25
Flour, Wheat		,,	3,252
Hams and Bacon		,,	13
Milk, Condensed		,,	747
Milk, Evaporated		,,	272
Machines, Adding.....		*Pcs.*	29
Motor-cars		,,	6
Motor-truck Chassis.....		,,	7
Canned Salmon.....		*Doz*	320
Timber, Softwood:			
Clear.....		*Sup.ft.*	38,816
Motor Cars and Trucks, Parts of		*G.Units*	334
Machinery		,,	8,273

THURLAND CASTLE, Jan. 5.
(Agents: Dodwell & Co)
From U. S. of America.

Cotton Lawns, White.....		*Pcs.*	285
,, Muslins, ,, ...		,,	122
Aluminium-foil.....		*Pls*	15
,, Sheets.....		,,	68
Iron and Steel, Ungalvanized:			
Tinned Plates, Plain...		,,	1,373
Glucose.....		,,	349
Indigo Paste, Artificial:			
20 per cent. strength		,,	900
Lampwick		,,	13
Soda, Bicarbonate of		,,	421
Soda, Caustic		,,	2,604
Tobacco, Leaf		,,	10,942
Oil, Unclassed		*Galls.*	19,237
Paints:			
Enamels		,,	135
Green		,,	70
Unclassed.....		,,	3,793
Rubber Tires, Pneumatic:			
For Motor Cars & Trucks		*Pcs.*	368
Machinery		*G Units*	15,642

PRESIDENT HARRISON, Jan. 5.
(Agents: Robert Dollar Co.)
From U. S. of America.

Waterproof Cloth.....		*Yds.*	322
Cotton, Raw.....	*Bls.* 800	*Pls.*	2,878
Copper Washers.....		,,	4
Iron and Steel, Ungalvanized:			
Pipe Fittings.....		,,	47
Canned Asparagus.....		,,	99
,, Fruits		,,	42
Barley, Pearl.....		,,	9
Coffee		,,	5
Glucose.....		,,	144
Grease		,,	65
Indigo Paste, Artificial:			
20 per cent strength...		,,	1,009
Indigo Grains. Artificial:			
60 per cent. strength		,,	26
Ink, Printing		,,	226
Lead, Yellow		,,	90
Leather Cow, Patent.....		,,	10
Macaroni		,,	36
Margarine		,,	21
Oranges, Fresh.....		,,	80
Paints, Unclassed		,,	20
Paper, Bond.....		,,	20
Pitch.....		,,	310
Prunes, Dried		,,	24
Shrimps, Dried.....		,,	121
Sugar, Powdered		,,	34
Sulphur Black		,,	400
Tobacco, Leaf		,,	155
,, Prepared		,,	159
Ultramarine		,,	4
Chocolate.....		*Lb.*	700
Rubber Tires, Pneumatic:			
For Motor-cars.....		*Pcs.*	111
Rubber Inner Tubes:			
For Motor-cars.....		,,	319
Machines, Knitting.....		,,	4
Typewriters		,,	3
Leather, Belts		*Doz.*	60
Canned Meats		,,	18
,, Quaker Oats.....		,,	720
,, *Sardines*		,,	212
,, Goods, Unclassed		,,	166
Coffee, in Tins		,,	307
Olives, Preserved.....		,,	54
Oil, Lubricating, Mineral		*Galls.*	64,057
Paints, Unclassed.....		,,	96
Varnish		,,	40
Dyes, Aniline..	*Pkgs*, 203	*G. Units*	10,376
Enamelled Ironware.....		,,	761
Machinery, & Parts of...		,,	62,561
Motor-cars, ,, ,,...		,,	6,415
Treature:			
Silver Bars		,,	1,689,736

PRESIDENT HARRISON, Jan. 6.
(Agents: Robert Dollar Co)
To U. S. of America.

Silk, Waste:			
Shanghai .....*Bls.*	15	*Pls.*	50.30
Antimony Regulus		,,	1,630
Horse Hair		,,	113
Feathers, Duck.....		,,	99
Soapstoneware		,,	111
Skins, Goat, Untanned...		,,	565

EMPRESS OF JAPAN, Jan. 7.
(Agents: Canadian Pacific Rl'y Co.)
From U. S. of America.

Milk, Condensed		*Pls.*	360
Treasure:			
Silver Bare.....	*G.Units*		149,798

PRESIDENT CLEVELAND, Jan 8
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Steam Filature:			
White, S'hai...	*Bls.* 15	*Pls.*	14.56
Tea, Green:			
Gunpowders Ningpo...		,,	1,820
Young Hyson, Hangchow		,,	118
Hyson, Hangchow ...		,,	80
Brassware.....		,,	16
Egg Albumen, Dried.....		,,	33
Egg Yolk, Dried		,,	294
Feathers, Duck.....		,,	49
Interestines, Sheep		,,	4
Oil, Wood		,,	4,704
Skins, Goat, Untanned...		,,	246
Skins, Lamb, Untanned...		*Pcs*	7,500
Skins, Rabbit, Untanned		,,	10,000

SILVERYEW, January 9
Agents: Glen Line Eastern Agencies, Ld.
From U. S. of America.

Cotton Piece Goods, Printed		*Yds.*	685
Aluminium-foil.....		*Pls.*	31
Aluminium Wire		,,	8
,, Sheets & Plates		,,	241
Indigo Paste, Artificial:			
20 per cent. strength...		,,	2,986
Sulphur Black.....		,,	285
Tobacco Stalk.....		,,	819
,, Leaf.....		,,	12,190
Wax, Paraffin		,,	371
Clocks		*Pcs.*	144
Imitation Leather.....		,,	1,600
Oil, Lubricating, Mineral..		*Galls*	23
Turpnentine, Vegetable...		,,	400
Motor-cars, Parts of.....	*G. Units*		2,253

EMPRESS OF RUSSIA, January 9.
(Agents: Canadian Pacific Rl'y Co.)
To U. S. of America.

Silk, Raw, Steam Filature:			
White S'hai ...	*Bls.* 80	*Pls.*	78.62
Yellow, Tsingtao, etc.	*Bls.* 15	,,	14.88
Wild, Dairen etc, ,,	130	,,	134.69
Silk, Raw, Reeled from Doupions:			
Shanghai .....*Bls.*	80	*Pls.*	79.06
Silk, Pongees, Honan ...		,,	87.30
Tea, Green:			
Young Hyson, Hangchow		,,	9
Gunpowuer, Ningpo...		,,	133
Brassware		,,	97
Wool, Sheep's		,,	105
Cotton Handkerchiefs, Embroidered		*Doz*	2,419
Skins, Lamb, Untanned ...		*Pcs.*	9,512
Skins, Rabbit, Untanned...		,,	44,600
Skins, Doe, Tanned.....		,,	230
Hats, Buntal Fibre		,,	6,000
Hats, Neora Fibre.....		,,	1,200

PRESIDENT PIERCE, January 9.
(Agents: Robert Dollar Co)
From U. S. of America.

Iron and Steel, Galvanized:			
Tinned Plates, Plain...		*Pls*	792
Wire Shorts		,,	816
Asparagus		,,	43
Apples, Fresh.....		,,	15
Canned Awabi.....		,,	11
,, Fruits.....		,,	111
Ink, Printing		,,	64
Leather, Patent		,,	4
Oranges, Fresh.....		,,	11
Newspapers, Old.....		,,	750
Shrimps		,,	68
Sugar, Refined		,,	99
,, Cube.....		,,	17
Flour, Wheat.....		,,	735
Lemons		*Pcs.*	37,400
Rubber Tires, Pneumatic:			
For Motor Cars & Trucks	,,		685
Rubber Inner, Tubes:			
For Motor Cars & Trucks	,,		631
Sardines		*Doz.*	1,200
Automobiles Parts of..	*G. Units*		1,915
Machinery, & Parts of...	,,		3,304

TATSUNO MARU, January 10.
(Agents: Nippon Yusen Kaisha.)
To U. S. of America.

Antimony, Regulus		*Pls.*	1,680
Bristes.....		,,	10
Brassware.....		,,	76
Cotton Yarn, Waste.....		,,	195
Feathers, Duck.....		,,	57
,, Goose		,,	38
Oil, Wood		,,	599
Seed, Sesamum.....		,,	3,923

TAIPING, January 12.
(Agents: Dodwell & Co)
From U. S. of America.

Cotton Thread, Embroidery		*Pls.*	5
Indigo Paste, Artificial:			
20 per cents. strengh...		,,	201
Tobacco, Leaf.....		,,	13,242
Paints		*Galls.*	231
Dyes, Aniline	*Pkgs* 51..	*G. Units.*	2,327

ASAMA MARU, January 12.
(Agents: Nippon Yusen Kaisha.)
From U. S. of America

Iron and Steel, Ungalvanized:			
Tinned Plates, Plain...		*Pls.*	1,680
Milk Sugar		,,	225
Oil, Lubricating, Mineral		*Galls*	5,217
Motor Passenger Cars...		*Pcs.*	4
Treasure:			
Silver Bars.....	*G. Units*		854,959

COURAGEOUS, January 12.
(Agents: Lloyd Everett, Incorporated.)
From U. S. of America.

Iron and Steel, Ungalvanied:			
Pipe Fittings.....		*Pls.*	6
Pipes		,,	14
Tinned Wire.....		,,	87
Iron and Steel, Galvanized:			
Pipe Fittings.....		,,	46
Pipes		,,	10
Indigo Paste, Artificial:			
20 per cent. strength		,,	766
Sugar of Milk.....		,,	168
Sulphur Black		,,	311
Tobacco, Leaf		,,	4,379
Machines, Sewing.....		*Pls.*	150
Paints: Enamels..		*Galls,*	22
Turpentine, Mineral.....		,,	417

PLEASANTVILLE, January 14
(Agents: O. Thoresen & Co.)
From U. S. of America.

Silk Piece Goods		*Pls.*	1.03
Silk Pongees, Honan		,,	84.60
Brassware.....		,,	51
Egg Albumen, Dried.....		,,	84
Feathers, Duck.....		,,	144
Hair, Human		,,	230
Seed, Sesamum.....		,,	6,002
Skins, Goat, Untanned..		,,	507
Wool Sheep's		,,	226

MICHIGAN, January 17
(Agents: States S. S. Co.)
To U. S. of America.

Silk Pongees, Honan.....		*Pls.*	21
Feathers, Goose.....		,,	48
Nutgalls.....		,,	1,357
Hair, Human.....		,,	171
Oil, Wood.....		,,	9,076
Seed, Sesamum.....		,,	28,136
Skins, Goat, Untanned..		,,	104

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THE CHINA WEEKLY REVIEW

38 AVENUE EDWARD VII **SHANGHAI**

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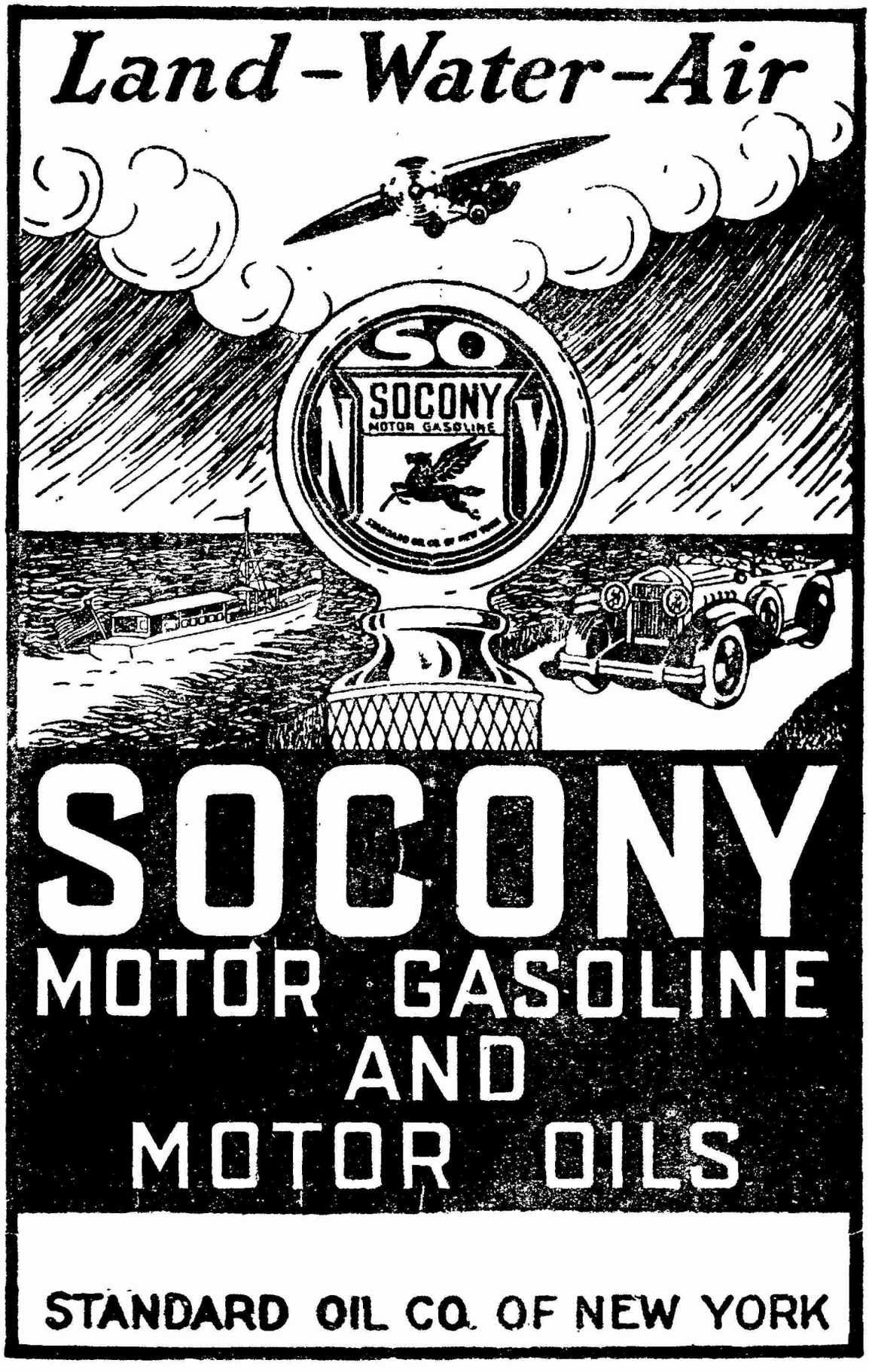
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